# VERIFICATION REPORT FOR THE SOUTHERN CARDAMOM REDD+ PROJECT

Document Prepared By Letty Brown and Zane Haxtema

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**Summary**

This report describes the verification audit of the Southern Cardamom REDD+ Project ("the project"), (Project ID: PL 1748) a REDD+ project located in Koh Kong Province of Cambodia, that was conducted by SCS. The purposes of the verification audit were (1) to conduct, in accordance with the VCS rules, an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the verification period and (2) to conduct, in accordance with the CCB rules, an ex-post independent assessment of the climate, community and biodiversity impacts that have occurred or are on track to occur as a result of the project during the monitoring period. The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 88 findings (75 findings under the VCS rules and 13 findings under the CCB rules) were issued during the process of validation and verification for the initial monitoring period, which occurred concurrently. The project complies with all of the verification criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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# 1 INTRODUCTION

## 1.1 Objective

The objectives of the verification engagement were set out as follows.

### 1.1.1 Verification Objectives Under the Verified Carbon Standard

In accordance with Section 5.1.1 of the VCS Standard (see Section 1.2.2 below for full reference), SCS carried out an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the verification period, conducted in accordance with the VCS rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, V3.1, the objectives of the verification engagement were to evaluate the monitoring report and assess the following:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description. This includes ensuring conformance with the monitoring plan.
- The extent to which GHG emission reductions and removals reported in the monitoring report are materially accurate.

The other objective of the verification engagement was to assess the non-permanence risk analysis.

### 1.1.2 Verification Objective Under the Climate, Community & Biodiversity Standards

In accordance with Section 4.1 of the CCB Program Rules (see reference in Section 1.3 below), SCS carried out an independent assessment of the project to determine whether the project design complies with the CCB rules.

## 1.2 Scope and Criteria

### 1.2.1 Scope

In accordance with Section 4.3.4 of ISO 14064-3:2006, the scope was defined as follows:

- The project and, where relevant, its baseline scenarios
- The physical infrastructure, activities, technologies and processes of the project
- The GHG sources, sinks and/or reservoirs that are applicable to the project
- The types of GHGs that are applicable to the project
- The verification period, as discussed in Section 5 of this report

### 1.2.2 Criteria Under the Verified Carbon Standard

In accordance with Section 5.3.1 of the VCS Standard (see below for full reference), the criteria for verification was the VCS Version 3, including the following documents:

- VCS Program Guide, V3.7
- VCS Standard, V3.7
- VCS AFOLU Requirements, V3.6
- AFOLU Non-Permanence Risk Tool, V3.3
- CCB & VCS Project Description Template, CCB V3.0, VCS V3.3

- The VCS-approved methodology applied to the project, as identified in Section 3.3.1 below

### 1.2.3 Criteria Under the Climate, Community & Biodiversity Standards

In accordance with Section 1.1 of the CCB Program Rules (see below for full reference) the criteria for verification was established as follows:

- The most recent validated project description using the same edition of the Climate, Community & Biodiversity Standards (in this case, the third edition- validation occurring concurrently) that was used for that validation
- All CCB Version 3 program documents, including the following:
    - CCB Standards Third Edition (V3.0)
    - CCB Program Rules, V3.1
    - CCB Program Definitions, V3.0
    - CCB & VCS Monitoring Report Template, CCB V3.0, VCS V3.3

## 1.3 Level of Assurance

### 1.3.1 Level of Assurance Under the Verified Carbon Standard

In accordance with Section 5.3.1 of the VCS Standard, the level of assurance of this report, insofar as it describes work performed under the Verified Carbon Standard, is reasonable.

### 1.3.2 Level of Assurance Under the Climate, Community & Biodiversity Standards

The concept of "level of assurance" was not relevant to work performed under the Climate, Community & Biodiversity Standards.

## 1.4 Summary Description of the Project

The project is located in the Koh Kong Province of Cambodia. Per Section 2.1 of the project description, "The Southern Cardamom REDD+ Project (SCRP) is an initiative designed to promote climate change mitigation and adaptation, maintain biodiversity and create alternative livelihoods under the United Nations scheme of Reducing Emissions from Deforestation and forest Degradation (REDD+)."

In addition, "The 445,339 ha SCRP encompasses parts of Southern Cardamom National Park and Tatai Wildlife Sanctuary and will protect a critical part of the Cardamom Mountains Rainforest Ecoregion – one of the 200 most important locations for biodiversity conservation on the planet.... The Project will directly support the livelihoods of 21 villages in nine communes around the perimeter of the project area. These communities represent approximately 2,475 families and 10,550 individuals. Wildlife Alliance has been assisting the government in the management of the Cardamom Rainforest Landscape since 2002."

# 2 VERIFICATION PROCESS

## 2.1 Audit Team Composition (*Rules* 4.3.1)

A table indicating how the audit team meets each of the requirements of the CCB Standards Rules is below.

| Area of required expertise | Individual(s) on audit team containing required expertise | Summary of relevant qualifications |
|---|---|---|
| Proficiency in a relevant local or regional language for the project location | So Malay | Native Khmer speaker and citizen of Cambodia |
| Relevant agriculture, forestry and/or other land use experience in the project country or region | So Malay | Familiar with common agricultural practices and corresponding deforestation pressures in the project country |
| Relevant social and cultural expertise | So Malay | Familiar with established social norms in rural Cambodia |
| Relevant ecological and biodiversity expertise | Letty B. Brown | Familiar with ecology and biodiversity best practices and measurements |

### 2.2 Method and Criteria

The verification was performed through a combination of document review and interviews with relevant personnel, as discussed in Sections 2.3 through 2.5 of this report. At all times, the monitoring report and non-permanence risk analysis were assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.6, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan workbook developed by SCS. Per Section 4.4.3 of ISO 14064-3:2006, the audit team identified possible risks of errors, omissions and misrepresentations with respect to the verification criteria. For each identified risk, the audit team assessed the likelihood of the material discrepancy occurring, the likelihood of the material discrepancy not being prevented or detected by the controls of the project and the likelihood of the material discrepancy not being detected by the audit team. Sampling and data testing activities were planned to address any risk where the likelihood of a material discrepancy not being detected by the audit team was judged to be unacceptably high. The audit team then created a verification plan that took the sampling plan into account.

### 2.3 Document Review

The monitoring report ("S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V2", version 2.0, dated 26 November 2018) ("MR") and non-permanence risk report ("SC REDD Project Non-Permanence Risk Report template v3.2 v4.2" dated 7 November 2018) ("NPRR") were carefully reviewed for conformance to the verification criteria. The project description ("S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V2", version 2, dated 26 November 2018) was referenced in conducting this review. The following additional documentation, provided by project personnel in support of the aforementioned documents, was also reviewed by the audit team:

| Document | File Name | Ref. |
|---|---|---|
| project area KML file | KML_PL1748 | /1/ |
| project area shapefile | NEW_ProjectArea_Line | /2/ |
| project accounting area shapefile | new_PAA1 | /3/ |
| proxy area shapefile | SCRP_proxy_area | /4/ |
| leakage area shapefile | LeakAr_er_2010NF_2015DF | /5/ |

| Document | File Name | Ref. |
|---|---|---|
| proxy area plots shapefile | SCRP_proxy_plots | /6/ |
| leakage plots shapefile | Leakage_plots_new | /7/ |
| biomass plots shapefile | SCRP_biomass_plots | /8/ |
| Annex 1 - Southern Cardamom REDD Project (SCRP) Policies Manual (SCRP-PM) | Annex 01 - SCRP Policy Manual | /9/ |
| Annex 3 - Climate Monitoring Plan v1.0 | SCRP Climate Monitoring Plan v1.1 | /10/ |
| Annex 4 - Community & Biodiversity Monitoring Plan | Annex 04 - SCRP_Community & Biodiverstiy Monitoring Plan | /11/ |
| Annex 5 - Standard Operating Procedure - Forest Inventory | Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628 | /12/ |
| Annex 6 - Standard Operating Procedure - Disturbance Monitoring | Annex 06 - Standard Operating Procedure - Disturbance Monitoring - v1.0_2012-10-02 | /13/ |
| Annex 7 - Standard Operating Procedure - Densiometer Forest Leakage | Annex 07 - Standard Operating Procedure_Densiometer Forest Leakage v4_02112016 | /14/ |
| Annex 8 - Standard Operating Procedure - Proxy Area | Annex 08 - Standard Operating Procedure Cardamoms - Proxy Area v1.1_20170525 | /15/ |
| Annex 9 - Standard Operating Procedure - Quality Control | Annex 09 - QA_QC Procedure Cardamoms v1.6 | /16/ |
| Annex 10 - REDD Carbon Inventory Workbook | Cardamoms REDD Carbon Inventory v8 | /17/ |
| Annex 11 - Proxy Area Carbon Inventory Workbook | Cardamoms REDD Proxy Area Carbon Inventory v2 | /18/ |
| Annex 12 - NER Model | Cardamoms RL v13 | /19/ |
| Annex 15 - Market Leakage Tool Workbook | SCRP_Market Leakage Tool v5 | /20/ |
| Annex 16 - Non-Permanence Risk Assessment | SC REDD Project Non-Permanence Risk Report template v3.2 v4.3 | /21/ |
| Annex 18 - Equipment List | Annex 18 - Equipment List - SCRP | /22/ |
| workbook 1 for assigning species-spcific wood densities | Cardamoms Tree SG_GlobalWoodDensityDatabase_v1 | /23/ |
| workbook 2 for assigning species-spcific wood densities | CardamomsFullData_V7 | /24/ |
| results of calculation for parameter "Portion of leakage due to degradation prior to first verification event" | Leakage results m=0 | /25/ |
| MODIS fire map | S_Cardamoms_MODIS_Fire_Product | /26/ |
| natural risk narrative to non-permanence risk analysis | Southern Cardamom Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative v3 | /27/ |
| Chave et al. (2014) | Chave_et_al_2014_Tree_Allometry_gcb | /28/ |
| data from "Cheko" site as reported in Chave et al. (2014) | Chave_GCB_Direct_Harvest_Data | /29/ |
| supplementary documentation from Chave et al. (2014) | gcb12629-sup-datas2 | /30/ |
| Hozumi et al. (1969) | hozumi-69 | /31/ |
| Evidence of validation of model II.2 from Chave et al. (2005) | SCRP Allomety Calculations for SCS v2 | /32/ |
| evidence of secured funding | SCRP Secured Funding 2018 -2021 final | /33/ |

| Document | File Name | Ref. |
|---|---|---|
| breakeven analysis (i.e., financial model) | Southern Cardamom Breakeven Analysis | /34/ |
| federal tax filings for the Barbara Delano Foundation, tax years 2014, 2015 and 2016 | Barbara Delano F - 2014 990; Barbara Delano F - 2015 990; Barbara Delano F - 2016 990 | /35/ |
| grant agreement | Grant Agreement_Wildlife Alliance Cardamom_15052018 | /36/ |
| evidence of arrangements between JW (Cambodia) Eco Holidays and Ministry of Environment | JW to WA on Protection Authorization; Letter No. 933 v2; MOE Approval on 12 Rangers for WA-JW Joint Protection | /37/ |
| net present value analysis | SCRP NPV analysis final 8-24-18 | /38/ |
| transaction journal for Wildlife Alliance | Segre Foundantion Bank Credit Advice | /39/ |
| translation of Prakas (Declaration) No. 1033 on Protected Areas | prakas-1033-on-protected-areas-1994 | /40/ |
| Declaration regarding Botum Sakor National Park (1993), Khmer | Royal Decree 1993 Declaration of Botum Sakor National Park | /41/ |
| Sub-decree No. 80 (establishing Tatai Wildlife Sanctuary), Khmer | subdecreeno8009.05.2016 | /42/ |
| Sub-decree No. 80 (establishing Tatai Wildlife Sanctuary), English translation | Sub-Decree 80_Tatai Wildlife Sanctuary_May 9, 2016 | /43/ |
| Sub-decree No. 89 (establishing Southern Cardamom National Park), Khmer | Sub-Decree 89_Southern Cardamom National_May 9, 2016_Khmer | /44/ |
| Sub-decree No. 89 (establishing Southern Cardamom National Park), English translation | Sub-Decree 89_Southern Cardamom National_May 9, 2016_english | /45/ |
| maps provided for site visit purposes | [various documents] | /46/ |
| FAO data on world deforestation, 2006-2014 | FAOSTAT_data_11-6-2018_WorldDeforestation | /47/ |
| FAO data on crop yield, 2006-2014 | FAOSTAT_data_CambodiaRiceandMaizeYield._xlsx | /48/ |
| Halperin and Turner (2013) | Halperin and Turner 2013 | /49/ |
| evidence of inventory QA/QC procedures workbook 1 | Cardamoms REDD Carbon Inventory QAQC v1 | /50/ |
| evidence of inventory QA/QC procedures workbook 2 | SCRP QC | /51/ |
| Description of Ecological Factors in Cambodia | 4DescriptionofEcological | /52/ |
| enforcement data, 2002-2017 | SCRP Enforcement Data 2002 TO DATE-2017_Updated Feb 2018 | /53/ |
| supporting documentation for "threat analysis" | [various documents] | /54/ |
| email from Verra regarding requirements in case of baseline type F-U3 | VERRA Guidance_Project Use of Jurisdictional FRELs | /55/ |
| "Project Agreement" between project proponent and Wildlife Alliance detailing the responsibilities of each | 25122016_Project Agreement_MoE-WA_Paris | /56/ |
| "Agency and Delegation of Authority Agreement" between project proponent and Wildlife Alliance dated 15 June 2016 | ADA_MOE-CCC_fully executed | /57/ |

| Document | File Name | Ref. |
|---|---|---|
| Health and Safety Plan | SCRP Health and Safety Plan_FINAL | /58/ |
| minutes of 26 June 2018 meeting with Chi Phat community | 401_2018-06-26_FPIC_Chi Phat Minute | /59/ |
| audio-visual recording of 26 June 2018 meeting with Chi Phat community | 20180626_FPIC Chi Phat | /60/ |
| English translation of Protected Areas Law (February 2008) | Protected Area Law 2008 | /61/ |

### 2.4 Interviews

#### 2.4.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the MR and NPRR, (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activity.

The following personnel associated with the project proponent and/or implementing partner were interviewed.

| Individual | Affiliation | Role | Date(s) interviewed |
|---|---|---|---|
| Dr. Thomas Gray | Wildlife Alliance | Director Science and Global Development | 1-8 April 2018 |
| Romica Grosu | Wildlife Alliance | GIS/Monitoring Manager | 1-9 April 2018 |
| Sokun Hort | Wildlife Alliance | Community Engagement Manager | 1-9 April 2018 |
| Suwanna Gauntlett | Wildlife Alliance | Chief Executive Officer and Founder | 5-9 April 2018 |
| Dr. Paris Chuop | Ministry of Environment, Royal Government of Cambodia | Deputy Secretary General | 9 April 2018 |
| Jeremy Freund | Wildlife Works Carbon | VP Carbon Development | 1-9 April 2018 |
| Brian Williams | Wildlife Works Carbon | Director of Asia | 3-9 April 2018 |
| Simon Bird | Wildlife Works Carbon | Director of Forest Science | 26 June 2018 |
| Meas Chamnab | Wildlife Alliance | Chief of Chi Phat CBET Committee | April 3, 2018 |
| Touch Sophany | Wildlife Alliance | Wildlife Alliance CBET Project Manager | April 3, 2018 |
| Darian Thackwell | Wildlife Alliance | Steung Proat Ranger Station Advisor | April 4, 2018 |
| Savan Rany | Wildlife Alliance | CBET Business Development Officer | April 6, 2018 |

### 2.4.2 Interviews of Other Individuals

Residents of project communities located near the project boundary, within the project zone, were also interviewed. Local residents (including commune chiefs, sub chiefs, village chiefs and sub chiefs) of the following villages were interviewed during the dates listed. Note that project communities listed in parentheses are alternate spellings.

- April 1-8, 2018: Cheam Sla (or Choam Sla), Teuk Laak, Kamlot, Chi Phat, Chamnar, Chumnoab, Prey Svay, Koh, Toap Khlei (or Toap Khley) , Samroang, Pralay, Chrak Russei (or Chrak Ruessy), Sovana Baitong (or Sovanna Baitong), and Bakangrout (or Bak Angrut)

- August 12-14, 2018: Kamlot, Teuk Laak, Chi Phat, Cheam Sla (or Choam Sla)

## 2.5 Site Inspections

The objectives of the on-site inspections performed were to:

- Select samples of data and information from field observations in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 5.1.3 of the VCS Standard;
- Perform a risk-based review of the project area and project activities to ensure that the project conformed to the requirements of the verification criteria throughout the verification period;
- Confirm the validity of information presented in the non-permanence risk report; and
- Assess the extent to which any monitoring was conducted in accordance with the requirements of the validated monitoring plan.

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project zone on the dates 1 April 2018 through 9 April 2018, and a follow-up visit to speak with a subset of communities, on 12 August 2018 through 14 August 2018. The main activities undertaken by the audit team were as follows:

- Interviewed project personnel (see Section 2.4.1 of this report) to gather information regarding the monitoring procedures and project implementation;
- Interviewed residents of several communities (see Section 2.4.2 of this report) located in the immediate vicinity of the project area to confirm the claims of the project proponents with respect to the extent of community engagement;
- Carried out on-site inspections of the project's monitoring methodologies through re-measurement of a number of inventory plots located within the project area.

## 2.6 Resolution of Findings

Any potential or actual discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of verification engagement are characterized as follows:

- Non-Conformity Report (NCR): An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.
- New Information Request (NIR): An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a

specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.

- Observation (OBS): An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the processes of validation and verification for the initial monitoring period, which occurred concurrently, 63 NCRs in total (58 NCRs under the VCS rules and 5 NCRs under the CCB rules), 24 NIRs in total (16 NIRs under the VCS rules and 8 NIRs under the CCB rules) and no OBS were issued. All findings issued by the audit team during the verification process have been closed. In accordance with Section 5.3.7 of the VCS Standard, all findings issued during the verification process, and the inputs for their closure, are described in Appendices A and B of this report.

### 2.6.1 Forward Action Requests

This section is not applicable, as no forward action requests have been issued.

### 2.7 Eligibility for Validation Activities

This section is not applicable, as SCS holds accreditation for validation for the relevant sectoral scope (scope 14; AFOLU).

## 3 VALIDATION FINDINGS

### 3.1 Participation under Other GHG Programs

This section is not applicable, as the project is not, at this time, seeking registration under the VCS Program and an approved GHG program.

### 3.2 Methodology Deviations

This section is not applicable, as no methodology deviations applied to the project were validated as part of the verification engagement described in this report. Two methodology deviations were validated as part of the validation engagement that occurred concurrently with the verification engagement described in this report; please see Section 4.3.1.2 below for more information regarding these deviations.

### 3.3 Project Description Deviations (*Rules* 3.5.7 – 3.5.10)

This section is not applicable, as no project description deviations applied to the project were validated as part of the verification engagement described in this report.

### 3.4 Minor Changes to Project Description (*Rules* 3.5.6)

No minor changes to the project design were validated as part of the verification engagement described in this report.

### 3.5 Grouped Project (G1.13 – G1.15, G4.1)

Not applicable, as the project is not a grouped project.

# 4 VERIFICATION FINDINGS

## 4.1 Public Comments (*Rules* 4.6)

The public comment period extended from 15 March 2018 to 14 April 2018. As confirmed by the audit team through review of the project webpage in the VCS project database (http://www.vcsprojectdatabase.org/#/ccb-all-project-details/PL1748; accessed 3 July 2018), 2 comments were received. The first comment (19 March 2018) was a general statement of support for the project. The second comment (14 April 2018) was from an individual opposed to the project; the comment did not mention specific objections to the project but rather to REDD projects in general. The project team did not provide a response or make changes or revisions to the project documents based on the public comments.

The audit team agrees with the project team's approach. With regard to the second comment, given that the comment did not mention specific objections to the project itself, but rather to REDD projects in general, it was not necessary to respond.

Therefore, the audit team concludes that the project proponent's response to the public comments was appropriate.

## 4.2 Summary of Project Benefits

The summary of project benefits has been correctly provided in Section 1.2 of the MR. The audit team has reasonable assurance that the all applicable and quantifiable information has been provided in an appropriate manner. The section is completed appropriately, according to the template requirements ((i.e. monitored data is included and data that was not monitored and/or not applicable is labeled accordingly). The audit team verified that each achievements reported is substantiated with information provided in the body of the monitoring report.

## 4.3 General

### 4.3.1 Implementation Status (G1.9)

#### *4.3.1.1 Implementation Status of the Project Activity(s)*

The implementation status of the project activities can be identified as follows:

The steps taken by the audit team to assess each of the following items is specified below.

| Item | Verification findings |
|---|---|
| Existence of any material discrepancies between project implementation and the project description | • Through site visit observations, through interviews conducted with project personnel and project communities, and through document assessment, the audit team confirmed no material discrepancies between project implementation and the project description; in the case of this assessment, validation and verification occurred concurrently. |
| The implementation status of the monitoring plan and the completeness of monitoring, including the suitability of the implemented monitoring system (i.e., process and schedule for obtaining, recording, compiling | • Through site visit observations, through interviews conducted with project personnel and project communities, and through document assessment, the audit team confirmed the implementation status of the monitoring plan and the completeness of monitoring, |

| | |
|---|---|
| and analyzing the monitored data and parameters) | including the suitability of the implemented monitoring system |
| The existence of any material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description and the applied methodology | • Through site visit observations, through interviews conducted with project personnel and project communities, and through document assessment, the audit team confirmed no material discrepancies between the actual monitoring system and the monitoring plan set out in the project description and the applied methodology |
| Whether the GHG emission reductions or removals generated by the project have become included in an emissions trading program or any other mechanism that includes GHG allowance trading | • Through general knowledge of other emission trading programs and other mechanisms that include GHG allowance trading, as well as based on knowledge of the organizations involved in the project team, the audit team is confident that the GHG emission reductions or removals generated by the project are not included in an emissions trading program or any other mechanism that includes GHG allowance trading |
| Whether the project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification | • Please see box above. The audit team is confident that the project has not received or sought any other form of environmental credit, or has become eligible to do so since validation. In addition, in the case of this assessment, validation and verification occurred concurrently |
| Whether the project has participated or been rejected under any other GHG programs since validation or previous verification | • Please see box above. The audit team is confident that the project has not participated in or been rejected under any other GHG programs since validation or previous verification. In addition, in the case of this assessment, validation and verification occurred concurrently |
| Sustainable development contributions | • Through site visit observations, through interviews conducted with project personnel and project communities, and through document assessment, the audit team confirmed the project's sustainable development contributions |

In conclusion, the audit team finds that the project has been implemented as described in the project description.

#### *4.3.1.2 Previously Validated Methodology Deviations*

Two methodology deviations were validated as part of the validation engagement that occurred concurrently with the verification engagement described in this report. The audit team's validation findings regarding these deviations are documented in Section 3.3.6 of the validation report produced by SCS. A brief assessment of the consequences of each deviation follows.

| Identification of deviation | Assessment of consequences |
|---|---|
| Activity-Shifting Leakage Area | • Deviation has no substantive consequences; the only consequence is that there is increased probability for leakage plots to be initially located in deforested areas (triggering a change in location) |
| Market Leakage Determination | • Deviation had no consequences for monitoring of market leakage for the initial monitoring period |

#### *4.3.1.3 Previously Validated Project Design Deviations*

As there exist no previously validated project design deviations, this section is not applicable.

#### *4.3.1.4 Previously Validated Minor Changes to the Project Description*

As there exist no previously validated minor changes to the project description, this section is not applicable.

#### *4.3.1.5 Overall Conclusion*

In summary, the audit team can confirm that the project has been implemented as described in the validated project description.

### 4.3.2 Risks to the Community and Biodiversity Benefits (G1.10)

The audit team took the following steps to verify the natural and human-induced risks to the expected project benefits identified by the project proponent.

- Through site visit observations, interviews conducted with project personnel and project communities, and document assessment, the audit team confirmed the natural and human-induced risks to the expected project benefits
- The audit team observed communities practicing slash and burn agriculture very near to the project area in several portions of the SCRP. The audit team agrees that the project activities are designed to mitigate the risk.
- The audit team observed illegal logging occurring within the project area, as well as visited ranger stations and observed large numbers of confiscated chain saws and logging equipment. The audit team agrees that the project activities are designed to mitigate the risk.
- The audit team agrees that in the absence of the project, the risk of erosion and landslides would be high, as many areas of the SCRP are steep.

In summary, based on interviews and observations made on-site, the audit team concludes that reasonable steps have been taken to mitigate the identified risks.

### 4.3.3 Community and Biodiversity Benefit Permanence (G1.11)

The audit team took the following steps to verify the actions needed or implemented to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime, as identified by the project proponent.

- Through site visit observations, interviews conducted with project personnel and project communities, the audit team confirmed that the project activities focus on education, sustainable agriculture, community-based ecotourism and sustainable management of natural resources, and are designed to reduce pressures on the project area

In summary, the audit team concludes that reasonable measures have been taken to enhance project benefits beyond the project lifetime, as identified by the project proponent.

### 4.3.4 Stakeholder Access to Information (G3.1- G3.3)

The audit team took the following steps to verify the project proponent provided stakeholders with access to project information, specifically

- Through on site observations, as well as through interviews conducted with project communities and project personnel, the audit team confirmed that full project documentation has been made accessible to communities and other stakeholders.
- In the same way, the audit team confirmed that relevant and adequate information about potential costs, risks and benefits to communities has been provided prior to any decisions, and that appropriate actions were taken to explain the verification process to communities and other stakeholders.

In summary, the audit team concludes that reasonable measures have been taken to enhance project benefits beyond the project lifetime in accordance with the validated project description.

### 4.3.5 Stakeholder Consultation (G3.4 – G3.5)

The audit team verified that the project proponent communicated with and consulted stakeholders on project implementation in accordance with G3.8 – G3.9 through the following steps.

| **Steps taken to assess whether…** | |
|---|---|
| Community groups and other stakeholders have influenced project implementation through effective consultation. | • While onsite, the audit team interviewed project personnel involved in community outreach (e.g. SIA workshops and FPIC meetings) who confirmed that the consultation process was implemented as described in the MR.<br>• The audit team met with a large number of project communities while on site, per Section 2.4.2, and heard first-hand of stakeholder engagement practices.<br>• Through interviews with community and commune chiefs and sub-chiefs, as well as other community members, the audit team confirmed that community groups and other stakeholders have influenced project implementation through effective consultation<br>• The audit team confirmed that representatives from all participating communities are being represented in order to learn from project successes and failures, and to ensure the project is being implemented using an adaptive management framework. |
| Stakeholder input on project implementation has been documented. | • Please see above. In addition, the audit team reviewed meeting minutes, confirming that outreach was conducted directly with community members and that stakeholder input was documented. The audit team reviewed the PD and MR and confirmed documentation of stakeholder input in these as well. |
| The project's plan for continued communication is being carried out. | • The audit team met with a large number of project communities while on site, per Section 2.4.2. Through interviews with community and commune chiefs and sub-chiefs, as well as other community members, the audit team confirmed that the consultation process is ongoing.<br>• During the site visit, project offices and sub-offices were visited. The audit team confirmed that the MR, as well as executive summaries of the MR, fliers and posters advertising and |

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| | informing of the project (in English and Khmer), were available. The Community Engagement Manager is responsible for communication- it was confirmed that he was well known and respected in the project communities |
| All consultation and participatory process have been undertaken directly with communities and other stakeholders or through their legitimate representatives. | • Please see above |

In summary, given observations made during the site visit, interviews conducted, and the documentation assessed, the audit team concludes that the stakeholder engagement carried out by the project has been sufficiently effective to result in conformance to G3.4 and G3.5.

### 4.3.6 Stakeholder Participation in Decision-making and Implementation (G3.6)

The audit team took the following steps to verify that stakeholder participation in decision-making and implementation has been included:

- As is the case in the community consultation section above, the audit team confirmed that stakeholder participation in decision-making and implementation been implemented in a collaborative manner ensuring that all potentially affected stakeholders are included.
- While onsite, the audit team interviewed community members across the project zone and confirmed that meetings were held in the relevant language of Khmer.
- The audit team confirmed that meetings were held during the day and at times when other work did not interfere with full community participation.
- The audit team confirmed through interviews that invitations were extended to commune and community leaders within a respectful timeframe and in such a manner that each stakeholder could respond.

In summary, given observations made during the site visit, as well as interviews conducted, the audit team concludes that the project enabled community participation in project implementation.

### 4.3.7 Anti-discrimination (G3.7)

The audit team concludes the following regarding the measures needed and designed to ensure that all entities involved in project implementation are not involved in, or complicit in, any form of discrimination or sexual harassment.

- The audit team confirmed that the MR, as well as supporting documentation, contain detailed description of measures designed to ensure that all entities involved in project implementation are not involved in any form of discrimination or sexual harassment.
- While onsite, the audit team interviewed project personnel involved in community outreach (e.g. officers of SBIA and FPIC meetings; CBET officers, ranger patrols) who attested that entities involved in project implementation were not involved or complicit in discrimination or sexual harassment.
- The audit team confirmed that the project established and implemented a grievance system that was written up in a formal Grievance and Redress Mechanism document (contained within the SCRP Policy Manual) /9/, and that this document was widely available to Project employees and

community members such that they were aware of a recourse method in the event that any discriminatory actions or sexual harassment should occur.

In summary, given observations made during the site visit, interviews conducted, and documentation assessed, the audit team concludes that individuals involved in project implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project.

### 4.3.8 Stakeholder Feedback and Grievance Redress Procedure (G3.8)

The audit team took the following steps to verify that the project proponent has implemented the project's feedback and grievance redress procedure:

- As is the case in the anti-discrimination section above, the audit team confirmed that the project implemented a grievance system that is written up in a formal Grievance and Redress Mechanism document (contained within the SCRP Policy Manual) /9/, and that the document was provided to Project employees and community members such that they were aware of a recourse method in the event that any discriminatory actions should occur.
- The audit team reviewed the Grievance and Redress Mechanism document and agreed that it outlines a procedure for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period.
- While onsite, the audit team interviewed project personnel involved in community outreach (e.g. officers of SBIA and FPIC meetings, CBET officers, ranger patrols) who attested that entities involved in project implementation were not involved or complicit in discrimination or sexual harassment. The audit team interviewed a large number of SCRP community members, both in group and individual settings, and confirmed the same.
- The audit team confirms that, as stated in the MR, no grievances were raised during the monitoring period.

In summary, given observations made during the site visits, interviews conducted, and documentation assessed, the audit team concludes that the grievance redress procedure has been implemented according to the project's validated design.

### 4.3.9 Worker Relations (G3.9 – G3.12)

The audit team verified that the project proponent has taken actions and implemented measures to ensure that the relationship between the project and workers meet the requirements of G3.9 – G3.12 through the following steps.

| **Steps taken to assess whether actions were taken or measures implemented that…** | |
|---|---|
| Build the capacity of the communities though job training and employment | • The audit team confirmed that the MR contains a detailed description of employee orientation, training and capacity building measures that are either occurring or have occurred related to project activities, including hospitality training to community based ecotourism (CBET) service providers.<br>• While on site, the audit team interviewed community members (including CBET staff, rangers, and others) who confirmed that training, orientation and capacity building is occurring.<br>• While onsite, the audit team heard of and witnessed the following types of ongoing training activities by the SCRP project: the training of CBET staff in ecotourism management and hospitality and guiding |

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| | skills; the training of the carbon plot biomass team in forest inventory-related techniques; the training of farmers in sustainable agricultural techniques, the training of forest rangers in law enforcement, health and safety, patrolling, and legal skills. |
| Ensure people from the communities are given an equal opportunity to fill work positions | • Please see above. Through observations onsite as well as interviews conducted, the audit team confirmed that equal treatment is given to people in communities to fill work positions. Still, the nature of certain jobs precluded women from performing them (e.g. ranger positions), but in particular for CBET staff and (to a lesser degree) farming, work positions were filled by women.<br>• In addition, the audit team reviewed the SCRP PD, and confirmed that it contains a detailed description of the project's equal opportunity policy regarding how future project positions will be openly advertised through the project's office within the project zone, and how positions will be open to all groups including ethnic minority, women, and different socio-economic groups, if the job requirements are met. While on-site, the audit team confirmed that these assertions were true. |
| Ensure the project is in compliance with all relevant laws and regulations regarding worker's rights and workers are informed of their rights | • The audit team conducted interviews with project personnel and confirmed that the project's worker's laws meet or exceed all applicable laws and/or regulations covering worker rights.<br>• The audit team confirmed that the MR contains a detailed description of Cambodia's worker rights laws and regulations.<br>• The audit team reviewed the project's final Health and Safety Plan /58/, which contains information about relevant laws and regulations related to worker's rights.<br>• In addition, it was confirmed that the Health and Safety Plan /58/ includes detailed information regarding measures designed to inform workers about their rights, including specific duties for informing workers regarding the Safety Plan and safety roles, responsibilities and accountabilities. |
| Inform workers of risks and how to minimize risk | • The audit team reviewed the project's 18-page Health and Safety Plan /58/, and confirmed that it informs workers of risks and explains how to minimize such risks. The Policy is comprehensive and details project staff safety procedures for different types of fieldwork and indoor work, and how to report incidents of worker injuries<br>• The audit team confirmed that the MR described ways that the project ensures worker's health and safety protections, including an outline of risks and how to mitigate them.<br>• The audit team conducted interviews with project personnel and workers and confirmed that workers were informed of risks and how to minimize them, as well as that workplace risk was minimized using best practices in the workplace |
| Minimize workplace risk using best work practices | • Please see the box above. |

In summary, through interviews, observations, and document review, the audit team concludes that the relationship between workers and the project upholds the intent and design presented in the validated project description.

### 4.3.10 Technical and Management Capacity (G4.2, G4.3)

The audit team verified actions and implemented measures to ensure the capacity exists to implement the project over the project lifetime through the following steps.

| **Steps taken to assess whether actions were taken or measures implemented that …** | |
|---|---|
| Demonstrate the project possesses, or is acquiring the key technical and management skills required to implement the project successfully | • The audit team reviewed the validated PD as well as MR, and confirmed that it identifies the project's governance structure as well as roles and responsibilities of all who are involved in project development and implementation.<br>• The audit team held interviews with contact people from the project proponent (the Royal Government of Cambodia, Ministry of Environment), the project implementation partner (Wildlife Alliance), and the technical support team (Wildlife Works Carbon), to confirm that the PD and MR descriptions of the governance structure are accurate, and in conformance with what was seen during the audit team site visit. |
| Demonstrate the financial health of the implementing organization is adequate to support project implementation | • The audit team reviewed the financial budgets for the project, and confirmed that the financial mechanisms adopted, including grant funds and projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.<br>• The audit team confirmed that the project budget was designed by individuals with implementing project activities designed to ensure success and confirmed that the budget carefully considers the cost of project implementation.<br>• The audit team confirmed that predicted credit sales and an accurate estimated annual budget demonstrate sufficient cash flow from predicted contracted sales to sustain the project through the end of the crediting period. |
| Provide assurance that the project is not complicit in any form of corruption | • While the audit team cannot and will not make any assertions regarding the absence of corruption at any level within the entities involved in the project, the audit team took steps to verify that the project proponent and any other entities involved in project implementation are not involved in, or complicit in, any form of corruption.<br>• The audit team conducted on-site interviews with members of communities, ranger forces, with project proponent staff, project partner staff, and other implementing entity staff and inquired about corruption. The interviewees attested to no knowledge at the time of any entities involved in project implementation being involved or complicit in any form of corruption.<br>• The audit team reviewed the agreement establishing a separate limited liability corporation, the Cardamom Carbon Company, created by MOE and WA to manage the funds of the Project /56/. In addition, the audit team reviewed the project agreement between Wildlife Alliance and MOE that outlines Project benefit sharing and ensures transparent financial transactions of the Project /57/. |

In summary, through interviews and observations made during the site visit, the audit team concludes that the project has the capacity to implement the project in accordance with the validated project design.

### 4.3.11 Commercially Sensitive Information (*Rules* 3.5.13 – 3.5.14)

No information has been withheld from the MR as commercially sensitive information.

### 4.3.12 Rights Protection and Free, Prior and Informed Consent (G5.3-G5.5)

The audit team verified actions taken and measures implemented by the project proponent to protect the rights of Indigenous Peoples, communities and other stakeholders through the following steps:

| **Steps taken to assess whether…** | |
|---|---|
| Existing property rights are recognized, respected and supported | • The audit team carefully reviewed the validated PD and MR and confirmed that it contains detailed descriptions of statutory and customary rights as relates to land, territory and resources in the project.<br>• Customary rights, to NTFP's for instance, are recognized within the project area, and the audit team interviewed community members to confirm access to such resources granted through customary rights.<br>• Measures are taken by the project to help secure statutory rights to land within the project zone by helping to secure land tenure around the project area given the widespread issues in Cambodia with regard to insecure land tenure. The audit team confirmed these measures with project personnel.<br>• The audit team conducted interviews with community members across the project zone to confirm that customary and statutory rights were not infringed upon by the project. The project area itself is entirely government-owned and the project proponent is a government entity. |
| The project does not encroach uninvited on private, community or government property | • Please see above. |
| The free, prior and informed consent has been obtained of those whose property rights are affected by the project | • Through multiple interviews throughout the project zone with local communities, in group and individual settings, as well as through review of the FPIC process implemented by the project personnel and confirmed through the review of meeting minutes, the audit team confirmed that FPIC was attained without coercion, intimidation, manipulation, threat and bribery. |
| Appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project | • Through the processes listed above, the audit team was able to confirm that this is not applicable as project area land is owned by the government and parties were not relocated by the project. |
| Project activities do not lead to the involuntary removal or relocation of property rights holders from their lands or territories, and does not force them to relocate activities important to their culture or livelihood | • Please see the response in the box above. |

In summary, based on extensive on-site interviews and observations, as well as document review, the audit team concludes that the project has protected the rights of Indigenous Peoples, communities and other stakeholders in accordance to the Climate, Community & Biodiversity Standards and the validated project design.

#### 4.3.13 Legal Status (G5.6)

The audit team concludes the following regarding all national and local laws and regulations in the host country that are relevant to the project activities.

- The lists in Sections 2.5.6 of the MR are comprehensive and include all such laws

The audit team took the following steps to verify that the project is complying with said laws and regulations.

- Review of relevant laws included in the MR, with particular emphasis on the Protected Areas Law (2008)
- Interviews with project personnel, including Dr. Paris Chuop of MOE (as listed in Section 2.4.1 of this report), regarding compliance and enforcement
- Audit team experience working in-country and with many of the same laws and regulations

The audit team concludes the following regarding how the project demonstrates compliance with relevant laws and regulations.

- The audit team concludes that the project is in compliance with the relevant laws and regulations.

### 4.4 Climate

#### 4.4.1 Accuracy of GHG Emission Reduction and Removal Calculations

The GHG emission reductions and/or removals have been quantified correctly in accordance with the project description and (with the exception of the methodology deviations discussed in Sections 3.2 and/or 4.3.1.1 above) with the applied methodology.

For all instances in which values were transcribed between datasets (e.g., transcription from the project description to reporting workbooks, or between reporting workbooks), the audit team carefully traced values to ensure the absence of manual transposition errors.

An identification of the data and parameters used to calculate the GHG emission reductions and removals/or, and a description of the steps taken to assess each of them, follows.

The following shorthand has been adopted for use in the below tables.

- References to “validation report” refer to the report, produced by SCS, documenting the validation engagement which was performed concurrently with the verification engagement documented in this report.
- References to “market leakage module” refer to VCS module VMD0037 (“Global Commodity Leakage Module: Production Approach”)
- References to “IFRL” refer to the “Initial Forest Reference Level for Cambodia under the UNFCCC Framework” document dated 22 May 2017

##### *4.4.1.1 Data and Parameters Available at Validation*

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Annual deforestation rate for Cambodia | Recalculation of deforestation rate from data in Table 4-3 of IFRL; see Section 3.3.7.1 of validation report | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Area of Project Accounting Area | Area recalculation using project accounting area shapefile /3/ | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Area of proxy area for the Project Accounting Area | Area recalculation using proxy area shapefile /4/ | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Area of the Activity-Shifting Leakage Area | Area recalculation using leakage area shapefile /5/ | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Portion of leakage related to market | Recalculation of proportion using inputs | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Expansion factor for above-ground biomass to below-ground biomass (root/shoot ratio) | Confirmation that value was correctly sourced from IPCC Guidelines for National Greenhouse Gas Inventories, 2006, Volume 4: Agriculture, Forestry and Other Land Use, Chapter 4: Forest Land, Table 4.4 | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that Table 4.4 is directly referenced by Appendix B.2.3 of methodology as a source of data, and is therefore assumed to be appropriate |
| Yield for non-aromatic rice | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.2 of market leakage module, except as deviated from via methodology deviation (see Section 4.3.1.2 above) |
| Yield for maize | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.2 of market leakage module, except as deviated from via methodology deviation (see Section 4.3.1.2 above) |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Yield for pumpkin | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.2 of market leakage module, except as deviated from via methodology deviation (see Section 4.3.1.2 above) |
| Yield for sawlogs | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.2 of market leakage module, except as deviated from via methodology deviation (see Section 4.3.1.2 above) |
| Number of historical reference years | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Annual percent increase in yield | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that default value set out in Section 5.1.2 of market leakage module is used |
| Percent of area where deforestation was avoided that would have been used for production of non-aromatic rice | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.1 of market leakage module |
| Percent of area where deforestation was avoided that would have been used for production of maize | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.1 of market leakage module |
| Percent of area where deforestation was avoided that would have been used for production of pumpkins | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.1 of market leakage module |
| Percent of area where deforestation was avoided that would have been used for production of sawlogs | N/A (value has no effect on GHG emission reductions and removals) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that data source meets all requirements of Section 5.1.1 of market leakage module |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Proportion of leakage resulting in increased supply outside the Jurisdiction | N/A (default value from market leakage module selected) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that default value set out in Section 5.2.1 of market leakage module is used |
| Proportion of increased supply coming from new land brought into production | N/A (default value from market leakage module selected) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that default value set out in Section 5.2.1 of market leakage module is used |
| Proportion of new land brought into agricultural production resulting in deforestation | N/A (default value from market leakage module selected) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that default value set out in Section 5.2.2 of market leakage module is used |
| Proportion of new land brought into agricultural production resulting in deforestation | N/A (default value from market leakage module selected) | Confirmed that reported value is equal to that in Section 3.3.1 of PD | Confirmed that default value set out in Section 5.2.2 of market leakage module is used |
| Cambodia area of deforestation 2006-2014 | Recalculation of deforested area from data in Table 4-3 of IFRL | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Global deforestation 2006-2014 | Independent acquisition of data from FAOSTAT; independent compilation of data for 2006-2014 | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Cambodia at-risk Carbon stock | Independent multiplication of value (78,953,951) from p.5 of IFRL by 9 to expand to the 2006-2014 period and conversion of this value to tCO2e | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |
| Global at-risk Carbon stock | Independent acquisition of data from FAOSTAT; independent compilation of data for 2006-2014 | Confirmed that reported value is equal to that in Section 3.3.1 of PD | N/A |

#### *4.4.1.2 Data and Parameters Monitored*

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Area of Project Accounting Area stratum 1 prior to first verification event – Evergreen Forest | Area recalculation using project accounting area shapefile /3/ | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Baseline carbon stocks at the end of the current monitoring period for the Project Accounting Area | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in proxy area carbon inventory workbook /18/; recalculation of proxy area carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Baseline carbon stocks at the end of the current monitoring period for the Project Accounting Area | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in proxy area carbon inventory workbook /18/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| • Project carbon stocks at the end of the current monitoring period for the Forest Project Accounting Area<br>• Project carbon stocks at the beginning of the current monitoring period<br>• Project carbon stocks prior to first verification event for the Project Accounting Area | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in REDD carbon inventory workbook /17/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Project carbon stocks in biomass in Project Accounting Area stratum 1 at Project start – Evergreen Forest | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in REDD carbon inventory workbook /17/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Project carbon stocks in biomass in the Project Accounting Area stratum 2 at Project start – Deciduous Forest | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in REDD carbon inventory workbook /17/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Project carbon stocks in biomass prior to first verification event | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in REDD carbon inventory workbook /17/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Average carbon in biomass in the Project accounting area | Review of data collection process in the field; data transfer checks on data in "Tree List" worksheet in REDD carbon inventory workbook /17/; recalculation of carbon stock from data in "Tree List" worksheet | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| • GERs for the current monitoring period<br>• GERs for monitoring period i | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| NERs for monitoring period i | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Cumulative baseline emissions at the end of the current monitoring period | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative baseline emissions at the beginning of the current monitoring period | Confirmed that value is 0, as this is the first monitoring period | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Change in baseline emissions | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative baseline emissions from biomass at the end of the current monitoring period | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative emissions allocated to the buffer account at the end of the current monitoring period | Recalculation from inputs | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative emissions from leakage at the end of the current monitoring period | Recalculation of market leakage | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative emissions from leakage at the beginning of the current monitoring period | Confirmed that value is 0, as this is the first monitoring period | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative emissions from leakage at the end of the current monitoring period | Recalculation of market leakage | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Change in emissions due to leakage | Recalculation of market leakage | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| • Change in Project emissions<br>• Cumulative Project emissions due to burning at the end of the current monitoring period | On-site observations to confirm no disturbance in project area during monitoring period | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Cumulative confidence deduction at the end of the current monitoring period | Recalculation of confidence deduction | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| • Portion of leakage due to degradation in forest at the end of the current monitoring period<br>• Portion of leakage due to degradation prior to first verification event | Review of leakage monitoring procedures | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Total uncertainty in proxy area carbon stock estimate | Recalculation of sampling error in proxy area inventory along with recalculation of proxy area average carbon stock (see "Baseline carbon stocks at the end of the current monitoring period for the Project Accounting Area" above) | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |

| | **Steps taken by audit team to assess…** | | |
|---|---|---|---|
| **Data/Parameter** | **Accuracy of GHG emission reductions and removals** | **Whether methods/formulae set out in project description have been followed** | **Appropriateness of default values** |
| Total uncertainty in the Project Accounting Area carbon stock estimate | Recalculation of sampling error in project accounting area inventory along with recalculation of project accounting area average carbon stock (see "Project carbon stocks at the end of the current monitoring period for the Forest Project Accounting Area" above) | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Area of avoided deforestation for monitoring period | Recalculation from data in Table 4-3 of IFRL and data on project accounting area size; see Section 3.3.7.1 of validation report (note that value of 31,590 ha is on a monitoring period basis ,as opposed to value of 10,530 ha, which is annualized) | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |
| Leakage mitigation achieved by the jurisdictional program in terms of production of a given commodity | Confirmed that it is conservative to set value to 0 | Confirmed that reported value is equal to that in Section 3.3.2 of PD | N/A |

### 4.4.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

The evidence used to determine the GHG reductions and removals was of sufficient quantity and appropriate quality. An identification of the categories of evidence used to determine the GHG emission reductions and removals, and a description of the steps taken to assess the sufficiency of quantity, and appropriateness of quality, of each category of evidence, follows.

| | Steps taken by audit team to assess… | | |
|---|---|---|---|
| **Category** | **Reliability of the evidence, and source and nature of evidence (external or internal, oral or documented) for determination of GHG emission reductions or removals** | **Information flow from data generation and aggregation, to recording, calculation and final transposition into the MR** | **Appropriateness of implemented calibration frequency of monitoring equipment** |
| Area calculations for the project area, project accounting area and leakage area | Recalculation of area | Comparison of recalculated area with quantities used to recalculate GHG emission reductions in calculation workbooks /17/ /18/ /19/ /20/ and reported in MR | N/A (no calibration necessary) |
| Calculation workbooks | Recalculation of calculated quantities | Comparison of recalculated quantities with amounts calculated in reporting workbooks and reported in MR | N/A (no calibration necessary) |

Overall, the evidence used to determine the GHG reductions and removals is of sufficient quantity (i.e., all necessary information has been provided to allow the audit team to trace and, as necessary, recalculate the quantification of GHG reductions and removals), and of appropriate quality (i.e., information presented is free of misstatements, whether material or immaterial) to allow the audit team to render a verification opinion.

### 4.4.3 Non-Permanence Risk Analysis

#### *4.4.3.1 Introduction and Conclusion*

The reported value of the overall risk rating, as determined based on the risk analysis documented in the NPRR, was 10%.

The audit team performed a complete review of the risk analysis against the requirements of the AFOLU Non-Permanent Risk Tool. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool.

A detailed review of the audit team's conclusions may be found below.

#### *4.4.3.2 Internal Risk - Project Management*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • As tree planting is not included in project activities as described in Section 2.2 of PD, risk score is justified | • N/A | Risk rating is appropriate |
| (b) | • As no credits have previously been issued, risk score is justified | • N/A | Risk rating is appropriate |
| (c) | • As management team does include individuals with significant experience in all skills necessary to successfully undertake project, risk score is justified | • N/A | Risk rating is appropriate |
| (d) | • From site inspections, audit team can confirm that management team maintains a presence in Phnom Penh, which is within a day's drive from project area | • N/A | Risk rating is appropriate |
| (e) | • Through interviews with project personnel, audit team can confirm that the claims in the NPRR are accurate | • N/A | Risk rating is appropriate |
| (f) | • The audit team reviewed the documents that contain adaptive management plan elements (e.g. SCRP Policy Manual which contains the Grievance Policy /9/, and community and biodiversity impact monitoring plan /11/, mitigation activities detailed in the PD) | • The documentation is high quality as discussed in Sections 3.2.22 and 3.4.12 | Risk rating is appropriate |

#### *4.4.3.3 Internal Risk – Financial Viability*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • Audit team reviewed the 30 year budget and workplan /34/ and confirmed that project cash flow breakeven point is 4 years or less from the current risk assessment; therefore, the risk score is justified | • The documentation provided included audited financial documents and a detailed, user friendly budget workbook that allowed for assessment by the audit team and is therefore of high quality | Risk rating is appropriate |
| (b) | | | Risk rating is appropriate |
| (c) | | | Risk rating is appropriate |
| (d) | | | Risk rating is appropriate |
| (e) | | • Please see above | Risk rating is appropriate |

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (f) | • Audit team reviewed the 30 year budget and workplan /34/ and confirmed that project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven; the risk score is justified. | | Risk rating is appropriate |
| (g) | | | Risk rating is appropriate |
| (h) | • Not applicable given the above; the risk score is justified | • N/A | Risk rating is appropriate |
| (i) | • Not applicable; mitigation not applied | • N/A | Risk rating is appropriate |

#### *4.4.3.4 Internal Risk – Opportunity Cost*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • Audit team agrees with the project team's assessment that the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated; the risk score is appropriate | • N/A | Risk rating is appropriate |
| (b) | | | Risk rating is appropriate |
| (c) | | | Risk rating is appropriate |
| (d) | | | Risk rating is appropriate |
| (e) | | | Risk rating is appropriate |
| (f) | | | Risk rating is appropriate |
| (g) | • Audit team agrees that, as a governmental entity, the project proponent does not meet the definition in Section 2.2.3(1) of AFOLU Non-Permanence Risk Tool | • N/A | Risk rating is appropriate |

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (h) | • Audit team reviewed the legal decree that determines protected area management of lands in Cambodia /61/, as well as the narrative description pertaining to project longevity in the PD, and agrees that the project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period | • As this is a Cambodian legal agreement the audit team considers it high quality | Risk rating is appropriate |

#### *4.4.3.5 Internal Risk – Project Longevity*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| | • Audit team reviewed the legal decree that determines protected area management in Cambodia /61/, and agrees that there is legal protection for the project area and a requirement to continue the conservation management practice in perpetuity as enshrined in Cambodian national law | • Please see above | Risk rating is appropriate |

#### *4.4.3.6 External Risk – Land Tenure and Resource Access/Impacts*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • The audit team confirmed that, as discussed in Sections 3.2.47 and 3.3.3.1 above, the real property included in the project area is under the jurisdiction of the project proponent and no ownership or access/use rights are held by any other entity | • Please see above regarding the quality of Cambodian laws | Risk rating is appropriate |
| (b) | • NA | • NA | Risk rating is appropriate |

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (c) | • NA | • NA | Risk rating is appropriate |
| (d) | • NA | • NA | Risk rating is appropriate |
| (e) | • NA | • NA | Risk rating is appropriate |
| (f) | • NA | • NA | Risk rating is appropriate |
| (g) | • NA | • NA | Risk rating is appropriate |

#### *4.4.3.7 External Risk – Community Engagement*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • NA | • NA | Risk rating is appropriate |
| (b) | • Through community interviews while on-site, the audit team confirmed that the project held extensive community meetings throughout the region and performed many outreach activities, and agreed with the risk score, especially given uncertainty regarding total number of people consulted and the total local population living within 20 km of the project boundary who are dependent on the project area for their livelihood. | • NA | Risk rating is appropriate |
| (c) | • Through on-site interviews with communities throughout the project area as well as extensive review of the project's adherence to the CCB Indicators (CCB validation occurring concurrent to VCS validation) the audit team confirms that the risk rating is appropriate | • NA | Risk rating is appropriate |

#### *4.4.3.8 External Risk – Political Risk*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| (a) | • NA | • NA | Risk rating is appropriate |
| (b) | • The audit team has reviewed and recalculated the World Bank World governance indicator score and confirms that it is as stated by the time of the project start time and therefore that the risk score is appropriate. | • The World bank governance indicator online database is considered of high quality (http://databank.worldbank.org/data/reports.aspx?source=Worldwide-Governance-Indicators) | Risk rating is appropriate |
| (c) | • NA | • NA | Risk rating is appropriate |
| (d) | • NA | • NA | Risk rating is appropriate |
| (e) | • NA | • NA | Risk rating is appropriate |
| (f) | • The audit team confirmed via the UN Redd Readiness website that the Cambodian government is implementing REDD+ Readiness, through support of the World Bank Forest Carbon Partnership and UN-REDD | • The UN REDD READINESS website is a site of the United Nations and is therefore considered of high quality (https://theredddesk.org/countries/initiatives/un-redd-programme-cambodia) | Risk rating is appropriate |

#### *4.4.3.9 Natural Risk*

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| **Fire** | | | |
| The audit team reviewed the MODIS Fire Product sample maps of the project area /26/ provided by the project team as well as the natural risk narrative /27/ and confirmed the information provided regarding significance and likelihood of fire. In addition, the audit team interviewed local communities and government officials who confirmed the claims in the PD. The audit team agrees that the infrequency of natural fires within the predominant forest type (evergreen forest) as well as the reduction in the threat of anthropogenic fires by Wildlife Alliance's ranger teams further diminishes the risk of fire. In sum, the audit team agrees that the potential for fire is low and the impact of fire when it does happen on the carbon stock is insignificant. | • The audit team considers MODIS satellite maps to be of high quality | Risk rating is appropriate |
| **Pest and Disease Outbreaks** | | | |
| The audit team interviewed local communities and project personnel who confirmed the claims in the PD that natural risks from pests are not a threat to carbon stocks in the project area. The audit team reviewed the project's natural risk narrative /27/ and agreed with the justification contained therein regarding pests and disease outbreak. The audit team has experience working in the region and further corroborates the expert opinion of the local communities and project personnel regarding pest and disease outbreak and the low risk to the project's carbon stocks. | • NA | Risk rating is appropriate |
| **Extreme Weather** | | | |
| The audit team interviewed local communities and project personnel who confirmed the claims in the PD that natural risks from extreme rain events can occur but that species in the SCRP ecosystem are adapted to wet conditions. The audit team reviewed the project's natural risk narrative /27/ and agreed with the justification contained therein regarding extreme weather. The audit team has experience working in the region and on this additional basis agrees with the risk rating claimed by the project. | • NA | Risk rating is appropriate |
| **Geological Risk** | | | |

| Risk | Assessment of rationale, assumptions and justification | Assessment of quality of documentation and data provided | Conclusion regarding appropriateness of risk rating |
|---|---|---|---|
| While on site, the audit team interviewed local communities and project personnel who confirmed the claims in the PD that natural risks from volcanoes or earthquakes are low. The audit team reviewed the project's natural risk narrative /27/ and agreed with the justification contained therein regarding geological risk to the project's carbon stocks. The audit team has experience working in the region and on this additional basis agrees with the risk rating claimed by the project. | | • NA | Risk rating is appropriate |
| **Other natural risk** | | | |
| While on site, the audit team interviewed local communities and project personnel who confirmed the claims in the PD that flooding is the only other natural risk in the SCRP ecosystem, and further that the likelihood of flooding is as stated in the PD. The audit team reviewed the project's natural risk narrative /27/ and agreed with the justification contained therein regarding flooding. The audit team has experience working in the region and on this additional basis agrees with the risk rating claimed by the project. | | • NA | Risk rating is appropriate |

### 4.4.4 Dissemination of Climate Monitoring Plan and Results (CL3.2)

The audit team took the following steps to verify the actions taken to disseminate the climate monitoring plan and results.

- While on site, the audit team confirmed that the climate monitoring plan /10/ was available for public review in the SCRP Project Office and that the monitoring report summary (which includes the results of the climate monitoring plan) were made publicly available (e.g. on sign boards) to communities throughout the project zone in the appropriate language of Khmer

In summary, through observations made on-site, the audit team concludes that the results of climate monitoring were disseminated in accordance with the validated project design.

### 4.4.5 Optional Gold Level: Climate Change Adaptation Benefits (GL1.4)

If applicable, describe the steps taken to verify the actions taken to assist communities and/or biodiversity to adapt to the probable impacts of climate change. Include details on how the activities implemented achieve the results indicated in the project's validated design. Provide and justify an overall conclusion as to whether the activities implemented deliver the intended impacts.

The audit team took the following steps to verify the actions taken to assist communities and/or biodiversity to adapt to the probable impacts of climate change.

- Prior to the site visit, the audit team reviewed Table 12 of the MR, which documents actions taken by the project to assist communities in adapting to climate change. Examples include training in

improved agricultural techniques to promote cultivation of drought-resistant crops, and reduce water use. For biodiversity, the primary action to assist is through forest conservation activities.
- While on site, the audit team confirmed, through observations and interviews, that actions listed in Table 12, both for communities and biodiversity, had been implemented.

In summary, the audit team concludes that the activities implemented deliver the intended impacts.

## 4.5 Community

### 4.5.1 Community Impacts (CM2.1)

The audit team took the following steps to verify the reported impacts of project activities on each identified community group.

- The audit team reviewed the MR Section 4.1 and confirmed it includes a detailed assessment of expected community impacts on the well-being of communities, including all constituent socio-economic or cultural groups such as indigenous peoples under the with-project scenario.
- The audit team confirmed that the project utilizes appropriate methodologies, including the recommended SBIA assessments, and including predicted and actual, costs and risks, on each of the identified community groups.
- It was confirmed that the text in the MR is supported by a series of flow diagrams (e.g. Result Chain diagrams) which allow for assessment by the auditor and public.
- While on site, the audit team interviewed local community members who confirmed that the assumptions in the model with regard to community impacts, were a result of the consultation process and are therefore defendable. The MR includes a detailed breakdown of anticipated impacts by group and shows the result to be net positive for all groups, therefore meeting the requirements of this indicator.

In summary, the audit team concludes that the assessment of impacts is accurate.

### 4.5.2 Net Community Impact Mitigation (CM2.2)

The audit team took the following steps to verify the actions taken to mitigate any negative well-being impacts on communities and for maintenance or enhancement of the high conservation value attributes.

- While on site, the audit team interviewed local community members who confirmed that potential negative community impacts (e.g. economic displacement for poachers and illegal loggers) and measures to counteract them (including development of CBET activities, employment and deployment of rangers and agricultural training to help move them away from illegal activities) were collaboratively addressed during outreach efforts.
- In addition, the project's monitoring systems are designed to monitor for negative impacts to community-related HCV attributes.

In summary, the audit team concludes that the mitigation actions were implemented in accordance with the validated project description.

### 4.5.3 Net Positive Community Well-Being (CM2.3)

The audit team took the following steps to verify that the net impacts of project activities on all identified community groups is positive.

- While on site, the audit team interviewed local community members who confirmed that the anticipated net well-being impacts of the project are predicted to be positive for all identified

community groups. While on site, the audit team interviewed local community members who confirmed these claims.

In summary, the audit team concludes that the project's anticipated net well-being impacts are predicted to be positive for all identified community groups compared with their anticipated well-being conditions under the without-project land use scenario.

### 4.5.4 Protection of High Conservation Values (CM2.4)

The audit team took the following steps to verify that no high conservation values related to community well-being in the project zone identified in the project's validated design have been negatively affected by the project.

- The audit team reviewed the PD and MR and confirmed that the community-related HCV's are not negatively affected by the project. The audit team confirmed that areas critical for the traditional cultural identity of communities will not be negatively impacted. While on site, the audit team interviewed local community members who confirmed these claims.
- The audit team agrees, based on on-site observations and interviews, that the project's main goals of protecting forests will provide enhanced access to fresh water and hydrological services, as well as assist in fisheries regulation, for areas in the Southern Cardamom watershed. These areas include the mangrove forests and associated fisheries of the Gulf of Thailand.

In summary, given on site interviews and observations, the audit team concludes that no high conservation values related to community well-being in the project zone identified in the project's validated design have been negatively affected by the project.

### 4.5.5 Other Stakeholder Impacts (CM3.2-CM3.3)

The audit team took the following steps to (1) verify the measures implemented to mitigate the negative well-being impacts on other stakeholders and (2) verify that the net impact of project activities on other stakeholders is positive.

- The audit team reviewed the MR regarding measures implemented to mitigate the negative well-being impacts on other stakeholders, and included to mitigate potential negative impacts to the well-being of other stakeholders.
- The audit team agrees, based on on-site observations and interviews with project personnel and communities members, that the activities undertaken during the reporting period (related to long term protection of the Southern Cardamom watershed) will result in a net benefit to other stakeholders

In summary, the audit team agrees with the conclusions drawn regarding mitigation of negative impacts on other stakeholders, as well as that the net impact of project activities on other stakeholders is positive.

### 4.5.6 Community Monitoring Plan (CM4.1, CM4.2, GL2.2, GL2.3, GL2.5)

The audit team took the following steps to verify that the community impact monitoring has been carried out in accordance with the project's validated design.

| **Steps taken to verify…** | |
|---|---|
| Communities, community groups, other stakeholders, and HCVs related to community well-being | • The audit team thoroughly reviewed the MR Section 4.3.1. and confirmed community monitoring is being described in accordance with the validated design. |

| | |
|---|---|
| identified in the monitoring plan. | • While on site, the audit team interviewed local community members (including community groups), as well as project personnel, and confirmed that the appropriate communities, community groups, other stakeholders, and HCVs related to community well-being are identified in the monitoring plan |
| Community variables monitored. | • The audit team while on site interviewed communities and confirmed that community monitoring variables were produced as a result of the consultation process that took place during validation (and per the validated PD design). These are seen being implemented in a positive way. |
| The dates, frequency and sampling methods used are in accordance with the validated project design. | • While on-site, through interviews with project personnel, and communities, the audit team confirmed the dates, frequency and sampling methods used are in accordance with the validated project design. |
| The results of monitoring. | • The audit team confirmed the results of monitoring through on-site observations, interviews, visits to specific facilities and documentation review of worker and training logs. For instance, the audit team visited the CBET facility at Chi Phat and at Stung Areng in the Areng Valley, and, through interviews with multiple staff, verified that the number of employees working there. The same method was used for the number of beneficiaries of training on agricultural methods and intensification, through a visit to the Sovanna Baitong Agriculture Association, and for the number of rangers employed by ranger stations and substations. |

The project is not seeking Gold Level for exceptional community benefits.

In summary, given documentation assessment, interviews and observations made on-site, the audit team concludes that the results of climate monitoring were disseminated in accordance with the validated project design.

### 4.5.7 Community Monitoring Plan Dissemination (CM4.3)

The audit team took the following steps to verify the actions taken to disseminate the results of community monitoring in accordance with the monitoring plan.

- While on site, the audit team confirmed that the community monitoring plan /11/ was available for public review in the SCRP Project Office, and that the monitoring report results (which include the results of the community monitoring plan) were made publicly available (e.g. on sign boards) to communities throughout the project zone in the appropriate language of Khmer

In summary, through observations made on-site, the audit team concludes that the results of community monitoring were disseminated in accordance with the validated project design.

### 4.5.8 Optional Gold Level: Short-term and Long-term Community Benefits (GL2.2)

This section is not applicable.

### 4.5.9 Optional Gold Level: Smallholder/community member Risks (GL2.3)

This section is not applicable.

#### 4.5.10 Optional Gold Level: Marginalized and/or Vulnerable Community Groups (GL2.4)

This section is not applicable.

#### 4.5.11 Optional Gold Level: Net Impacts on Women (GL2.5)

This section is not applicable.

#### 4.5.12 Optional Gold Level: Benefit Sharing Mechanisms (GL2.6)

This section is not applicable.

#### 4.5.13 Optional Gold Level: Governance and Implementation Structures (GL2.8)

This section is not applicable.

#### 4.5.14 Optional Gold Level: Smallholders/Community Members Capacity Development (GL2.9)

This section is not applicable.

### 4.6 Biodiversity

#### 4.6.1 Biodiversity Changes (B2.1)

The audit team took the following steps to verify the reported changes in biodiversity in the project zone due to project activities.

| **Steps taken to verify…** | |
|---|---|
| The accuracy and appropriateness of monitored data | • The audit team confirmed the accuracy and appropriateness of monitored date through on site observations (e.g. photographs of wildlife, signs and sounds of key wildlife species in forest, visits to ranger stations), as well as interviews with project personnel including ranger patrols. |
| The justification used to attribute biodiversity changes to the project's activities | • The audit team agrees that the most likely without-project scenario would include increased poaching and fewer sightings of Asian elephant across the SCRP and more forest land grabbing. The audit confirmed the justification used to attribute biodiversity changes to the project's activities through on-site observations, through interviews with project personnel (including WA staff and rangers and patrols based at ranger stations), as well as professional judgement. |

In summary, the audit team concludes that the project's assessment of changes in biodiversity resulting from project activities in the project zone during the verification period are accurate.

### 4.6.2 Mitigation Actions (B2.3)

Through the steps described in Section 4.6.1, and given that the primary project activity is the protection of forests within the project area, the audit team confirmed that none of the project activities is expected to have any negative impacts on biodiversity, including any of the project HCVs.

The audit team agrees that no negative impacts on biodiversity or area HCV's will occur due to project activities.

### 4.6.3 Net Positive Biodiversity Impacts (B2.2)

The audit team took the following steps to verify that no high conservation values were negatively affected by the project.

- The audit team visited the project area in multiple portions of the SCRP and observed or heard wildlife (or signs of) wildlife directly, including Asian elephant, gibbon, and pig-tailed macaque. In addition, the audit team saw a great deal of evidence of threat to the forest, for instance wildlife snares located along forest trails, newly cut trees, small roads cut into the forest to extract trees, and evidence of hunter's camps in the forest.
- Several ranger stations were visited where the audit team observed confiscated snares, logging equipment, nets used to trap wildlife, and heavy equipment used to build roads into protected areas.
- The audit team interviewed ranger patrols at several ranger stations and heard of their efforts to stop illegal activities occurring in the project area including logging and wildlife poaching.
- The audit team reviewed the threatened species lists and confirmed a subset of these in the IUCN Red List, and the scientific literature cited for the endemic species, and the audit team confirmed that the Cardamom Mountains region is part of the Indo-Burma biodiversity global biodiversity hotspot.

In summary, based on documentation assessment, interviews, and observations made on-site, the audit team agrees that the project's net impacts on biodiversity in the project zone are positive.

### 4.6.4 High Conservation Values Protected (B2.4)

The audit team took the following steps to verify that no high conservation values were negatively affected by the project.

- Through visits to the project zone and project area, in multiple regions of the SCRP, the audit team was able to confirm the benefits of the project activities, as well as the threats faced.
- As the entirety of the SCRP project area is considered a high conservation area, and given that the primary project activity is the protection of forests in the project area, the audit team agrees with the project team that no conservation value areas are negatively affected by the project.

In summary, based on documentation assessment, interviews, and observations made on-site, the audit team agrees that no high conservation values were negatively affected by the project.

### 4.6.5 Invasive Species (B2.5)

Through interviews and observations made on-site, the audit team confirmed the project team's assertion that project activities that include any planting or reforestation within the project zone will utilize native or

naturalized tree/plant species that will be nurtured in nurseries on-site and that no invasive or non-native species will be used in the project accounting area.

### 4.6.6 Impacts of Non-native Species (B1.4)

Please see Section 4.6.5 above.

### 4.6.7 GMO Exclusion (B1.5)

As only project accounting areas are used to generate GHG emissions reductions or removals during the verification period, and the area is natural forest without reforestation or any sort of planting occurring, the audit team confirmed that no GMO's were used to generate GHG emission reductions or removals during the verification period.

### 4.6.8 Inputs Justification (B2.8)

Through interviews and observations made on-site, the audit team confirmed the project team's assertion that no inputs such as any fertilizers, chemical pesticides, and biological control agents are intended to be used for the Project.

### 4.6.9 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation (B3.2)

The audit team took the following steps to (1) verify any negative impacts on biodiversity outside the project zone due to the project and (2) verify the project's identified negative impacts and the actions taken by the project to mitigate negative impacts.

- Through interviews and observations made in the project zone and project area, in multiple regions of the SCRP, as well as through professional judgement based on verification visits in other parts of the Kingdom of Cambodia, the audit team agrees that the project is very unlikely to have negative biodiversity impacts outside the project zone which would not have occurred in the absence of the project.
- The audit team therefore agrees that mitigation measures against such impacts are not needed.

In summary, based on interviews, observations made onsite, the audit team concludes that the project had adequately identified all negative offsite biodiversity impacts and has taken actions to mitigate the impacts.

### 4.6.10 Net Offsite Biodiversity Benefits (B3.3)

The audit team took the following steps to verify that the project's net biodiversity impacts are positive, taking into account positive and negative impacts on biodiversity within the project zone and unmitigated negative impacts on biodiversity outside the project zone.

- As stated in Section 4.6.9, the audit team agrees that negative offsite impacts to biodiversity are unlikely to occur as a result of the project, and therefore, that evaluation of unmitigated offsite impacts is not applicable

In summary, the audit team concludes that the net biodiversity impacts of the project are positive.

### 4.6.11 Biodiversity Monitoring Results (B4.1, B4.2, GL3.4)

The audit team took the following steps to verify that the biodiversity impact monitoring has been carried out in accordance with the project's validated design.

| **Steps taken to verify…** | |
|---|---|
| That the dates, frequency, biodiversity variables and sampling methods used are in accordance with the validated project design. | • While on site, the audit team interviewed project personnel involved in the wildlife surveys, and observed the biomass teams involved in carbon plot monitoring, and confirmed their competence to perform the wildlife and vegetation monitoring protocols<br>• The audit team reviewed and confirmed that the SCRP biodiversity monitoring plan /11/ selected biodiversity indicators that are directly linked to the project's biodiversity objectives, and that the appropriate sampling methods, dates, frequencies, and reporting methods are used. |
| The results of monitoring. | • As stated in previous sections, the audit team interviewed project personnel involved in ranger patrols, and wildlife surveys, as well as directly viewed camera trap imagery resulting from wildlife monitoring.<br>• The audit team observed the biomass teams involved in carbon plot monitoring, and observed remeasurement of a subset of the carbon plots<br>• In addition, the audit team was able to independently confirm the accuracy of the GIS and remote sensing work performed by the project partners through validation and verification activities. |
| The effectiveness of measures taken to maintain or enhance all identified high conservation values. | • As stated in previous sections, the entire SCRP project area is considered an HCV area, and the primary project activity is the protection of forests in the project area; the audit team agrees with measures taken to maintain and enhance the project area. |

In summary, the audit team concludes that the biodiversity monitoring plan was carried out in accordance to the validated project design.

### 4.6.12 Biodiversity Monitoring Plan Dissemination (B4.3)

The audit team took the following steps to verify the actions taken to disseminate the biodiversity monitoring plan and results:

- The audit team visited the Wildlife Alliance website and confirmed that extensive information regarding biodiversity monitoring results is communicated there.
- The audit team read portions of several peer-reviewed publications authored by the project team regarding key biodiversity data from the SCRP focusing on some of the biodiversity indicators.
- The audit team confirmed that SCRP MR summaries, including biodiversity monitoring plan results, were translated into Khmer and made widely accessible within the SCRP project zone.

In summary, the audit team concludes that the results of biodiversity monitoring were disseminated in accordance with the validated project design.

### 4.6.13 Optional Gold Level: Trigger Species Population Trends (GL3.3)

The audit team took the following steps to verify *t*he actions taken by the project to maintain or enhance the population status of each trigger species in the project zone, and reduce threats to them*:*

- As detailed in section 4.6.3, the audit team took steps to confirm through interviews and observations made on site, that the project is having net positive biodiversity impacts through project actions; these actions are also thought to maintain or enhance the population status of many or all the trigger species in the project zone, by reducing (forest) habitat loss, habitat fragmentation and poaching largely for the illegal wildlife trade.
- The audit team reviewed the trigger species listed in Table 26 of the validated PD, and confirmed a subset of these on the IUCN Red List and confirmed the information presented about them in the PD and MR.
- While on site the audit team interviewed project personnel and heard of the presence of identified trigger species within the project area, as well as saw camera trap photographs of several of the species.
- The audit team interviewed project personnel in regard to the tiger reintroduction program and viewed maps of potential tiger reintroduction locations, including in Koh Kong province.

In summary, the audit team concludes that the actions taken by the project maintain or enhance the population status of each trigger species in the project zone, and reduce threats to them.

### 4.6.14 Optional Gold Level: Effectiveness of Threat Reduction Actions (GL3.4)

The project team elected not to include direct impact status for each trigger species, but instead to focus on the primary threats to the species present in the project area. This includes indicators of the maintenance of the forest extent, illegal logging and other forms of deforestation, and wildlife poaching. The audit team confirmed that this is in conformance with CCB Standard indicator GL3.4, specifically footnote 128, which states “Population status or even presence at the site may be hard to establish for some species that are threatened, rare or cryptic, for example. Evidence that threats to the species are being addressed may be used to demonstrate that species population status is likely to be maintained or enhanced as a result of project activities.”

## 4.7 Additional Project Implementation Information

This section is not applicable.

## 4.8 Additional Project Impact Information

This section is not applicable.

# 5 VERIFICATION CONCLUSION

The audit team asserts, with no qualifications or limitations, that:

- The project complies with the verification criteria for projects set out in CCB Version 3 and VCS Version 3.
- The project has been implemented in accordance with the validated project description and any subsequently validated changes.

Verification period: From 1 January 2015 to 31 December 2017

Verified GHG emission reductions and removals in the above verification period:

| Year | Baseline emissions or removals ($tCO_2e$) | Project emissions or removals ($tCO_2e$) | Leakage emissions ($tCO_2e$) | Net GHG emission reductions or removals ($tCO_2e$) |
|---|---|---|---|---|
| 2015 | 4,461,598 | 0 | 33,060 | 3,982,378 |
| 2016 | 4,461,598 | 0 | 33,060 | 3,982,378 |
| 2017 | 4,461,598 | 0 | 33,060 | 3,982,378 |
| **Total** | 13,384,794 | 0 | 99,181 | 11,947,133 |

The audit team concludes, with reasonable assurance, that the quantification of the net GHG emission reductions and removals that have occurred as a result of the project during the verification period, as reported above, is free of material misstatement and complies with the verification criteria.

Note that the total net GHG emission reductions and removals for the monitoring period, as reported above, is calculated by Equation F.55 of the methodology. It is not the equivalent of subtraction of project emissions and leakage emissions from baseline emissions, because it also accounts for the buffer allocation. The quantity resulting from subtraction of project emissions and leakage emissions from baseline emissions, 13,285,613 tCO2e, is referred to as “gross emission reductions” and is calculated by Equation F.53. The quantity of credits to be deposited into the buffer pool, 1,338,479, is subtracted from this quantity in Equation F.55 to arrive at the total net GHG emission reductions and removals for the monitoring period. The results of this calculation are broken down by vintage below.

| Year | Gross Emission Reductions ($tCO_2e$) | Credits to be deposited into buffer pool | Net GHG emission reductions or removals ($tCO_2e$) |
|---|---|---|---|
| 2015 | 4,428,538 | 446,160 | 3,982,378 |
| 2016 | 4,428,538 | 446,160 | 3,982,378 |
| 2017 | 4,428,538 | 446,160 | 3,982,378 |
| **Total** | 13,285,613 | 1,338,479 | 11,947,133 |

The audit team concludes that the climate change adaptive capacity and resilience, community and biodiversity benefits achieved by the project during the project implementation period are net positive and that the project has achieved, or is on track to achieve, its stated climate change adaptive capacity and resilience, community and biodiversity objectives.

**APPENDIX A: FINDINGS ISSUED UNDER CCB VERSION 3**

Please see Section 2.6 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel. It should be further noted that the validation process occurred concurrently with the initial verification and, as such, the below findings include documentation of issues relevant to both the validation and verification engagements.

**NIR 1 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**:
**Finding**: The CCB Standards Section G3 Stakeholder Engagement states “Communities and other stakeholders are involved in the project through full and effective participation, including access to information, consultation, participation in decision-making and implementation, and free, prior and informed consent (requirements for free, prior and informed consent are included in G5.2). Timely and adequate information is accessible in a language and manner understood by the communities and other stakeholders. Effective and timely consultations are conducted with all relevant stakeholders and participation is ensured, as appropriate, of those that want to be involved.”

The CCB Standards Section G3 Stakeholder Engagement Indicator G3.1 states “Describe how full project documentation has been made accessible to communities and other stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to communities in relevant local or regional languages and how widely publicized information meetings have been held with communities and other stakeholders”, where full project documentation includes project description and monitoring reports, as they become available, through the project lifetime. In addition it states, “summary documentation disseminated to communities prior to CCB validation shall at least include information required for G1.1-9, and prior to CCB verification shall at least include information on monitoring results showing that the project has delivered net positive climate, community and biodiversity benefits.”

With regard to how summary project documentation (including how to access full documentation) has been actively disseminated to communities in relevant local or regional languages, the audit team observed on the site visit that Project Description summary documentation (in the form of laminated printouts), including the information required prior to validation, had been actively disseminated to many of the communities visited, in the appropriate language of Khmer. In addition, Project Description summary information (including the required G1.1-G1.9 information) was made available on posters for the Southern Cardamoms REDD project that were exhibited in the communities visited during the site visit.

However, the audit team did not see evidence that summary documentation for the Monitoring Report was actively disseminated to communities prior to the audit team’s site visit. While the Monitoring Report summary was available electronically in Khmer on the project’s Facebook page as well as the Wildlife Alliance webpage, hard copies were not observed in the project communities while in the 14 (of the project’s total 29) communities that were visited during the site visit. In addition, information about the monitoring results were not found to be on the aforementioned posters.

Please provide information about how the Monitoring Report summary documentation was actively disseminated to communities prior to CCB verification, including at minimum the information on monitoring results showing that the project has delivered net positive climate, community and biodiversity benefits.

**Project Personnel Response**: Summary documentation of the Monitoring Report was available in both English and Khmer at the time of the field audit. Because of its similarity to the PD summary, which contains identical ex-ante monitoring information, the MR summary was not disseminated in hard copy format to the communities. To conform to this finding, WA has disseminated the MR summaries to the same communities as the PD summaries in Khmer. Evidence of the MR summaries’ physical presence has been provided to the VVB through viewing this website: https://www.wildlifealliance.org/southern-cardamom-redd-project-monitoring-report-summary/.
**Auditor Response**: The audit team confirms that the photos on the referenced website (https://www.wildlifealliance.org/southern-cardamom-redd-project-monitoring-report-summary/) show that the MR summary have now been disseminated in many locations in the project zone, and the accompanying text in the website provides sufficient explanation and detail regarding where and how the MR summary has been disseminated. The finding is closed.

**NCR 2 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The CCB Standards indicator G1.5 states, “Explain the process of stakeholder identification and analysis used to identify communities, community groups and other stakeholders”, where other stakeholders is defined as “all groups other than communities who can potentially affect or be affected by the project activities and who may live within or outside the project zone.” Indicator G1.6 states “List all communities, community groups and other stakeholders identified using the process explained in G1.5.”

In addition, Indicator G3.4 states “Describe how communities including all the community groups and other stakeholders have influenced project design and implementation through effective consultation, particularly with a view to optimizing community and other stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and implemented to continue communication and consultation between the project proponents and communities, including all the community groups, and other stakeholders about the project and its impacts to facilitate adaptive management throughout the life of the project.

Currently Section 2.1.8 in the PD contains an explanation regarding the process of identification of stakeholder groups per the Indicator G1.5 without defining ‘other stakeholders’ in the context of the project. Section 2.1.9 contains a list of communities (in Table 3) and community groups (listed below Table 3), but does not list (or define) ‘other stakeholders’ and as such does not comply with Indicator G1.5.

In addition, the PD and MR Sections 2.3.7 Stakeholder Consultations contains references to ‘other stakeholders’ including extensive reference within Table 9. However, ‘other stakeholders’ is not defined and it is not possible to determine how “other stakeholders have influenced project design and implementation” per indicator G3.4.

**Project Personnel Response**: We have updated section 2.1.8 and 2.1.9 of the PD to define “other stakeholders” for the Project. We have also updated the MR sections 2.3.7.

**Auditor Response**: The audit team reviewed the sections containing information about other stakeholders in the revised documents "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7", and the "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", and confirmed that Sections 2.1.9 of the PD contains a list of groups of people defined, for the purposed of the project, as other stakeholders, thereby meeting the requirements of CCB Indicator G1.5.

**NIR 3 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5
**Finding**: The CCB Standards Indicator G5.2 states "Demonstrate with documented consultations and agreements that: ….b) the free, prior and informed consent has been obtained of those whose property rights are affected by the project through a transparent, agreed process. Free, Prior, and Informed and Consent is defined as: Free means no coercion, intimidation, manipulation, threat and bribery; Prior means sufficiently in advance of any authorization or commencement of activities and respecting the time requirements of their decision-making processes; Informed means that information is provided that covers (at least) the following aspects i) The nature, size, pace, reversibility and scope of any proposed project or activity, ii) the reason/s or purpose of the project and/or activity, iii)the duration of the above; iv; the locality of areas that will be affected; v)a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle; vi)Personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees and others); and vii) Procedures that the project may entail; and Consent means that there is the option of withholding consent and that the parties have reasonably understood it". In addition it states: "collective rights holders must be able to participate through their own freely chosen representatives and customary or other institutions following a transparent process for obtaining their Free, Prior and Informed Consent that they have defined. "

For the community of Teuk Laak, as written in the project's Project Description (PD) Section 2.1.8 Stakeholder Identification, a Social Impact Assessment (SIA) workshop was held on Aug 23-25, 2017 with representatives from 18 communities including Teuk Laak in attendance. In addition, the PD Table 10 lists the location, date and attendance of FPIC meetings. Listed under "Second Consultation", an FPIC meeting was held in Teuk Laak on 2-Feb-2018, in the pagoda, with 18 participants of which 4 were female.

The PD (various sections) provides information regarding the overall consultation and FPIC process of the Project. For the Teuk Laak community, the audit team requests documentation of the consultation(s) and agreement(s) resulting from the FPIC process. In addition, provide an explanation regarding how consent (or the option to withhold consent) was attained or expressed during the FPIC meetings with the project's communities including Teuk Laak. If a specific person was assigned as a representative, please include this information as well.

While on the site visit, the audit team was informed during a group meeting with the commune chief for Chi Phat (which includes Teuk Laak), that the approval for the project in Teuk Laak is very low (10% of community at the time of the audit team site visit). He further commented that during the Teuk Laak FPIC meeting, a number of community members walked out to show disapproval for the project. In additional to the information requested above, provide an explanation regarding if and how such information is handled in the context of the project.

**Project Personnel Response**: We note that the definition of FPIC in the CCB Standards, Version 3.1, Section G5.2 (as quoted in Finding 3) states that FPIC shall be demonstrated for "those whose property rights are affected by the project". It is further stated in Section G5 and clarified in footnote 64, that FPIC of "relevant property rights holders has been obtained…". Our assumption is that "relevant property rights holders" refers to communities with property rights within the Project Area. The communities in the SCRP Project Zone have no property rights to or within the Project Area (which is owned and managed by the Government of Cambodia), and their land/property rights would not be affected in any way by the REDD+ Project. We therefore ask for additional clarification on this finding. WA conducted FPIC consultations in every community within the Project Zone, including Teuk Laak, and documentation on these consultations have been noted by the VVB in this finding. However, we are unclear on what is meant by 'agreement(s)' in the following statement: "the audit team requests documentation of the consultation(s) and agreement(s) resulting from the FPIC process". We assume that as the communities have no land rights to or within the Project Area, their participation in the REDD+ Project is entirely voluntary, and in no way is their participation obligatory, either for the community(ies) or the project developers. We therefore assume that a formal consent is not required from communities in the Project Zone for the validation of the project, as they have no land rights to or within the Project Area. Rather, it is assumed, as stated in the CCB standard, section G3, footnote 39, "Full and effective participation means meaningful influence of all relevant rights holder and stakeholder groups who want to be involved throughout the process…". It is further assumed that any community who does not wish to participate in the REDD+ Project does not have to, Project Activities will not be implemented in said community(ies), and the community(ies) will be removed from the Project Zone (i.e. not considered within the scope of the Project), but that community participation in project activities is not a pre-requisite for project validation

**Auditor Response**: A seperate finding, NIR.13, was issued regarding the status of the project communities as 'relevant property holders' per the CCB definitions. As the project communities are 'relevant property holders' (see NIR.13), the CCB requirement that 'free, prior and informed consent' (as described in CCB Indicator G5.2) be 'obtained at every stage of the project' holds for the SCRP.

As stated in the original finding, the audit team confirmed (through careful review of project documentation and interviews during site visit of April 2018), that the project team conducted consultation and SBIA meetings in project communities prior to the April site visit as stated, and in accordance with what was documented in the PD and MR. Per the original finding, the audit team seeks additional evidence regarding how FPIC requirements per CCB Indicator G5.2 were met, specifically regarding 'consent'.

**Project Personnel Response 2**: The Project Proponents have elected to include Teuk Lak and surrounding communities in the SCRP, and as such acknowledges that the original FPIC activities conducted in these communities did not necessarily definitively indicate consent to the satisfaction of the auditor. Although formal criteria for obtaining community consent is not fully defined in the CCB standard, and additionally very few projects can achieve unequivocal support from each and every stakeholder, we assume that a minimum of 50% acceptance from individuals within the FPIC consent meetings adequately serves as a positive indication of consent.

Wildlife Alliance conducted additional FPIC campaigns in the communities of Cheam Sla, Kamlot and Teuk Lak (the Chi Phat area communities), which all previously contained 50% or lower approval rate. As part of this process, Wildlife Alliance held meetings with the district, commune and village officials to address some of their stated concerns. Along with villagers, the final meeting was attended by representatives from the Koh Kong (provincial) governor's office, the concerning district governor, commune chiefs and village chiefs to adequately explain and address the villagers' concerns. The culmination of this FPIC campaign is that 68% of participants indicated support for the SCRP in a show of hands. Video evidence was shot to document the meeting and has been provided to the auditor, along with official documentation (minutes) for the meeting.

**Auditor Response 2**: The project team conducted additional FPIC meetings in the Chi Phat communities (which includes Teuk Lak) in late June 2018. The audit team reviewed the evidence of consent in the Chi Phat communities, provided in the documents "401_2018-06-26_FPIC_Chi Phat Minute.pdf" and "20180626_FPIC Chi Phat", an MP4 video, as well as the narrative describing how consent was achieved, provided in Project Response 2.

To independently verify the information regarding content and scope of the additional FPIC meetings conducted in the Chi Phat communities, the audit team re-visited the same communities and conducted interviews over 2 days in August 2018. The audit team interviewed a large number of community leaders and members, both in group and individual settings, many who had attended the June meetings. The audit team learned that the June meetings were well-attended and appeared to be effective in provided consultation regarding the scope and purpose of the SCRP. In particular, the audit team was told that while there remains uncertainty regarding the issue of land titling (as relates to Cambodia's Order OO1) in the communities, and many continue to wait for official titles and maps for their lands within the project zone, the additional meetings provided clarity that the SCRP project is seperate from the Order 001 zoning process, and that one of the SCRP project actitivies is to assist communities in speeding up the land titling process as is described in the PD.

Through the process described above, the audit team was able to reach reasonable assurance in the accuracy of the information provided regarding the increased level of support in Teuk Lak and the other referenced Chi Phat project communities. The finding is closed.

**NIR 4 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**:
**Finding**: The CCB Standards Section G3 Stakeholder Engagement states "Communities and other stakeholders are involved in the project through full and effective participation, including access to information, consultation, participation in decision-making and implementation, and free, prior and informed consent (requirements for free, prior and informed consent are included in G5.2). Timely and adequate information is accessible in a language and manner understood by the communities and other stakeholders. Effective and timely consultations are conducted with all relevant stakeholders and participation is ensured, as appropriate, of those that want to be involved."

The CCB Standards Section G3 Stakeholder Engagement Indicator G3.4 states: "Describe how communities including all the community groups and other stakeholders have influenced project design and implementation through effective consultation, particularly with a view to optimizing community and other stakeholder benefits, respective local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and implemented to continue communication and consultation between the project proponents and communities, including all the community groups, and other stakeholders about the project and its impacts to facilitate adaptive management throughout the life of the project."

Given the information stated in the NIR.3 finding, the audit team requests an explanation regarding how effective consultation was conducted in the community of Teuk Laak, and how it was assured that each relevant community group was effectively consulted.

**Project Personnel Response**: In order to meet Indicator G3.4, Wildlife Alliance FPIC teams conducted three rounds of FPIC meetings within the Project Area. In the case of Tuek Laak, two rounds of FPIC were conducted in order to effectively understand the needs of the community. It was explained to community members project activities and how the project will benefit them. All members of the community were invited to the two meetings and representatives from all stakeholders in the community attended the meetings. The FPIC teams described the activities of the Project and asked for recommendations and answered all relevant questions.
**Auditor Response**: Please see the Auditor Response to NIR.3. The finding is closed.

**NCR 5 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The CCB Standards Section G5 Stakeholder Engagement, Indicator G5.5 states: "Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years. If applicable, describe measures needed and taken to resolve conflicts or disputes. Demonstrate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the project zone."

While on the site visit, the audit team heard of opposition to the project in several locations, most notably in the Teuk Laak community as noted in finding NIR.3, as well as several other project communities in the same commune as well as different communes. The complaints described to the audit team centered on the issue of land tenure insecurity and lacking land titles. The issue of land insecurity and land tenure rights is raised in the project's PD several times, including in Section 2.1.8 which contains a comprehensive description of the background regarding Order 01BB and Cambodian land tenure rights, as well as how Wildlife Alliance has worked with directive 01 staff to ameliorate the situation. In addition, in Section 2.1.1 the PD describes how the activity of increasing land tenure security is a key project activity to avoid land tenure conflicts.

The instructions for Section 2.5.6 of the CCB & VCS Project Description Template state "Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years.
Demonstrate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project. If applicable, describe measures needed and designed to resolve conflicts or disputes."

Section 2.5.6 of the project's PD currently states: "There are no on-going conflicts or disputes in the SCRP Project Area and Project Zone. There has additionally been no conflicts or disputes over the land, territory or resources in the Project Area over the last 20 years. However illegal land clearing and intrusion by outsides has, and continues to, occur causing some levels of conflicts with local community members and MOE. As there are no on-going disputes, there is no potential for the project to prejudice them through its activities." Given what the audit team heard during the site visit, Section 2.5.6 of the PD (as well as MR) is currently not in compliance.

**Project Personnel Response**: While WA is aware of casual complaints by communities that their land tenure is "unclear", WA is not aware of any ongoing formal disputes within communities surrounding the Project Area. Given that the VVB has received complaints from the community in Teuk Laak, we have added new text to section 2.5.6 of the PD and 2.5.5 of the MR describing the minor disputes that have occurred.
**Auditor Response**: The audit team confirmed the additional language in the PD sections as mentioned which are sufficient to provide transparency regarding complaints witihn the project at the time of validation. The finding is closed.

**NIR 6 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5
**Finding**: CCB Indicator G3.8 relates to the grievance procedure for the project and states "Demonstrate that a clear grievance redress procedure has been formalized to address disputes with communities and other stakeholders that may arise during project planning, implementation and evaluation with respect to but not limited to, free, prior, informed consent, rights to lands, territories and resources, benefit sharing, and participation." In addition it states: "The project shall include a process for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period. . The feedback and grievance redress procedure shall have three states with reasonable time limits for each of the following stages."

The PD Section 2.3.12 states "The full grievance policy has been submitted to the validator and is available to anyone upon request." This audit team requests the project's full grievance policy referenced in the PD.

**Project Personnel Response**: We have provided the grievance policy to the VVB.

**Auditor Response**: The audit team confirms receipt of the grievance policy in a document entitled "SCRP Policy Manual.pdf". The manual contains a detailed grievance and redress policy that meets the requirments of the CCB Indicator G3.8. The finding can therefore be closed.

**NCR 7 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards version 3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.6

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The CCB Standards Gold Level Optional Criterion GL1. Climate Change Adaptation Benefits states "The project provides significant support to assist communities and/or biodiversity in adapting to the impacts of climate change. Strategies to help communities and biodiversity adapt to climate change are identified and implemented." The CCB Standards Gold Level Optional Criterion GL3. Exceptional Biodiversity Benefits states "Projects conserve biodiversity at sites of global significance for biodiversity conservation selected on the basis of the Key Biodiversity Area (KBA) framework of vulnerability and irreplaceability. Conserving biodiversity at these sites may contribute to meeting country commitments to the Aichi Targets under the Convention on Biological Diversity and with the priorities identified in a National Biodiversity Strategy and Action Plan."

The title pages in the CCB & VCS Project Description Template and the CCB & VCS Monitoring Report Template require as follows in the Gold Level Criteria box: "List which Gold Level criteria are being used and provide a brief description of the activities implemented and results achieved that enable the project to qualify for each relevant Gold Level." As currently written, the PD and MR title pages list the Gold Level criteria being used, but the 'brief description of the activities implemented and results achieved that enable the project to qualify for each relevant Gold Level' are currently incomplete in explaining how the relevant Gold Level criteria are met.

**Project Personnel Response**: We have revised the Gold Level Criteria box in both the PD and MR to provide more information on the project activities implemented and the impacts of these activities on the climate and biodiversity. Please see the PD and MR provided along with these responses to the findings.
**Auditor Response**: The audit team reviewed the revised documents "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7", and the "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", and confirmed that the Gold Level Criteria box in both documents have been revised as stated, and now meet the requirements. The finding can therefore be closed.

**NCR 8 Dated 30 Apr 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The CCB & VCS Monitoring Report Template instructions, for Section 1.2. Standardized Benefit Metrics states as follows "Data included in the monitoring period column shall be substantiated in this document as denoted by the corresponding section reference." Section 1.2 in the project's MR currently contains several boxes (e.g. training, employment, livelihoods, water, well-being) for which data is included in the "Achievements during Monitoring Period' column, but a corresponding section reference is missing.

**Project Personnel Response**: The MR has been revised to include in Section 1.2 of the MR the corresponding section reference.
**Auditor Response**: The audit team reviewed the revised MR, "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", and confirmed that the references in Section 1.2 have been added. The finding can therefore be closed.

**NCR 9 Dated 30 Apr 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The CCB & VCS Monitoring Report Template instructions, for Section 2.1.3 Project Proponent, requires a telephone and email address be recorded for the Project Proponent. In the project's MR, these are currently missing. For Section 2.1.4 Other Entities Involved in the Project, the project's MR currently does not list a complete email address in the first box.

**Project Personnel Response**: We have revised the MR to include this information. Please view the revised MR provided along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised MR, "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", and can confirm that the telephone and email address have been added for the Project Proponent, but in Section 2.1.4 Other Entities Involved in the Project, the project's MR currently does not list a complete email address in the first box.

**Project Personnel Response 2**:
**Auditor Response 2**: The revised MR was provided and the audit team confirmed that the full address was provided as requested. The finding is closed.

**NIR 10 Dated 30 Apr 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**:
Section 2.4.4 Financial Health of Implementing Organization, in the project's MR, states "Moreover, the Project Proponent, Wildlife Alliance and Wildlife Works' combined REDD+ project development experience (5 successful prior VCS/CCB validated & verified projects) contributed to the creation of a detailed financial model for the development and management of the SCRP. Predicted credit sales and an accurate estimated annual budget demonstrate sufficient cash flow from predicted contracted sales to sustain the project through the end of the crediting period. The Project Proponent has already received grants to fund project design and start-up costs. Documents supporting these investments will be produced for the project auditor to review."

As the verifier team does not have these documents yet, please submit them for review.

**Project Personnel Response**: We have provided the VVB with the SCRP financial model.
**Auditor Response**: The audit team was provided with the SCRP financial model. The finding is closed.

**NIR 11 Dated 30 Apr 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: Section 2.4.5 of the project's MR, states "In order to provide avoidance of corruption, a separate limited liability corporation has been created by MOE and WA to manage the funds of the Project. This company, called the Cardamom Carbon Company (CCC), is based in the United States and under the management authority of Wildlife Alliance. There are two agreements, the CCC Agency of Delegation Agreement and Southern Cardamom Project Implementation Agreement, that outline project benefit sharing and ensure transparent financial transactions of the Project. These documents were shared with the validator."

As the verifier team does not have these documents yet, please submit them for review.

**Project Personnel Response**: The SCRP ADA and PIA have been shared with the VVB. The ADA has been signed and executed by all parties, however the PIA document is in the process of signing currently. We have provided the final unsigned version of the PIA to the auditor at this time.
**Auditor Response**: The audit team were provided with and reviewed the two documents that were requested. The finding is closed.

**NIR 12 Dated 30 Apr 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: Section 2.3.15 of the project's MR states "This Health and Safety Plan additionally provides a comprehensive list of the measures that will be taken to inform employees of their rights, to assign roles and responsibilities to supervisors and workers and provide a safe workplace culture..A copy of the plan has been provided to the verifier ..."

As the verifier team does not have this document yet, please submit the Project's Health and Safety Plan.

**Project Personnel Response**: The SCRP's updated Health and Safety Plan has been provided to the VVB.
**Auditor Response**: The audit team reviewed the document submitted by the project team, entitled "SCRP Health and Safety Plan_FINAL.doc" and found it to be a comprehensive plan designed to inform employees of their rights, to assign roles and responsibilities to supervisors and workers and provide a safe workplace culture. The finding is closed.

**NIR 13 Dated 30 Apr 2018**
**Standard Reference**: CCB Standards v3.1, CCB Program Definitions v.3.0
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.6

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The CCB Standards Section G5 Legal Status and Property Rights states, "The project recognizes, respects and supports rights to lands, territories and resources, including the statutory and customary rights of Indigenous Peoples and others within communities and other stakeholders. The free, prior and informed consent (as described in G5.2) of relevant property rights holders has been obtained at every stage of the project."

The CCB Program Definitions v. 3.0 defines property rights and property rights holders, as "the statutory and customary tenure, use, access and/or management rights to lands, territories and resources and the entities that have those rights, either individually or collectively."

The CCB Program Definitions defines customary rights (to lands territories and resources) as follows: "Patterns of long-standing community land and resource usage in accordance with 'Indigenous Peoples and local communities' customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State (see: World Bank Operational Manual, OP 4.10 – Indigenous Peoples, 2005. available at: https://policies.worldbank.org/sites/ppf3/PPFDocuments/090224b0822f89d5.pdf)

Please provide information regarding whether the Southern Cardamoms REDD project's communities, as described in the PD and MR, with regard to the Southern Cardamoms REDD project area, are considered property rights holders, per the CCB definitions of 'property rights holders' and 'customary rights' provided above. If the project communities do not hold statutory or customary rights to the project area, per the definitions above, please provide justification and evidence for the statements.

**Project Personnel Response**: Per the PD section 2.1.9 the Project's community members do not have legal rights to any of the land within the Project Area, as it is all protected as a National Park under Cambodian law, but the communities do have customary rights to areas of the Project Area. These include the right to do activities that are non-commercial in nature and not resulting in the conversion of the forest to a non-forest state. Such as the collection of deadwood, non-timber forest products, or the small-scale, sustainable harvesting of trees or animals to meet personal or family needs. These customary rights are protected under Cambodian Protected Area law, and the SCRP will respect and honor these rights held by the Project communities.
**Auditor Response**: The audit team reviewed the project team's response and the revised PD "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7", and confirmed that Section 2.1.9 provides a statement of the status of the project's communities with regard to property and customary rights to the project area, specifically that, while the project communities reside outside the project area and do not hold property rights to the project area, they do hold customary rights to the project area. As such, the project communities do meet the CCB definition of 'relevant property holders' and it is required that 'free, prior and informed consent' (as described in CCB Indicator G5.2) be 'obtained at every stage of the project'. NIR.3 documents how it was confirmed that FPIC was obtained for the project. The finding is closed.

**APPENDIX B: FINDINGS ISSUED UNDER VCS VERSION 3**

Please see Section 2.6 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel. It should be further noted that the validation process occurred concurrently with the initial verification and, as such, the below findings include documentation of issues relevant to both the validation and verification engagements.

**NCR 1 Dated 24 Apr 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 5 - Standard Operating Procedure (SOP) Cardamoms - Forest Inventory v1_20170112.pdf
**Finding**: The VCS Standard Section 3.1.1 states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 Minimizing Uncertainty and Collecting Consistent Data states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

While the audit team noted that the project Standard Operating Procedures (SOPs) were comprehensively written, one internal inconsistency was noted. Section 7.2.6.5 (pg. 8) states “Butt swell or buttress at least 1 m tall. Measure diameter 0.4 m above the swelling (Figure A3).” The Figure A3 caption (pg. 13) states (and the figure depicts), “Butt swell or buttress that is 1 m tall or taller. Measure diameter 0.3 m (30 cm) above the swelling.”

**Project Personnel Response**: The forest inventory SOP has been revised to clarify this discrepancy. Please refer to the revised forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v2_20180628 section 7.2.6.5, which has been submitted to the auditor, to see this revision.
**Auditor Response**: The audit team reviewed the revised version of the SOP, "Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628", in order to see whether the finding could be closed. The audit team can confirm that Section 7.6.2.5 now states that diameter should be measured 0.3 m above the swelling, which is consistent with the guidance in Figure A-3. Therefore, the internal inconsistency have been resolved.

**NCR 2 Dated 24 Apr 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 5 - Standard Operating Procedure (SOP) Cardamoms - Forest Inventory v1_20170112.pdf
**Finding**: The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

Section 6.2.4 of the Project SOP states “If the plot is located on the slope, Annex B of this SOP must be used to adjust the plot radius. Plot radii are horizontal distance, therefore a slope distance must be used to correct the slope.”

During the site visit, the audit team witnessed that the biomass team does not use slope correction for the project and this was confirmed by the teams. The audit team considers this decision to be conservative in the sense that the area of the plot (and thus amount of carbon counted) is smaller without slope correction than if the slope correction was used. However, as currently written, the SOP’s do not allow replication of sampling in the event of staff turnover between monitoring periods.

**Project Personnel Response**: The forest inventory SOP has been revised to clarify this discrepancy. Please refer to the revised forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v2_20180628 section 6.1.8. Additionally, Annex B has been removed.
**Auditor Response**: The audit team reviewed the revised version of the SOP, "Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628", in order to see whether the finding could be closed. The audit team can confirm that Sections 6.2.4 and 7 of the SOP have been revised to clarify that slope correction is not utilized in laying out the plot boundary, and that Annex B has been removed. Therefore, the discrepancy has been resolved.

**NCR 3 Dated 24 Apr 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 5 - Standard Operating Procedure (SOP) Cardamoms - Forest Inventory v1_20170112.pdf
**Finding**: The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

Section 7.2.7 of the project SOPs state: “Mark the point on each tree trunk where diameter is measured. If plots are to be not obvious, the marking can be made with paint of a color similar to the color of the bark of the tree, and can be only a horizontal stripe facing slope center. Alternatively, at the point where diameter is measured, nail a permanent tree tag containing the tree number. If using nails, diameter is measured immediately above the nail.”

During the site visit, the audit team witnessed that tree tags were consistently used to mark trees measured in each plot. However, the location of the tree tag was not consistently where the diameter measurement was taken. The audit team witnessed this leading to confusion by the inventory team regarding where to measure diameter. As currently written, the project SOP’s do not reflect the methods used for tree tags for the project and may not ensure consistent carbon stock estimation across measurement periods.

**Project Personnel Response**: The forest inventory SOP has been revised to clarify this discrepancy. Please refer to the revised forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v2_20180628 section 7.2.9. In this new section each operator is instructed that they must not assume the tree tag has been placed at the correct location, and that they must determine the DBH location according to the SOP for each tree regardless of where the tree tag is located.
**Auditor Response**: The audit team reviewed the revised version of the SOP, "Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628", in order to see whether the finding could be closed. The audit team can confirm that the newly inserted Section 7.2.9 provides clear guidance to specify that DBH must be independently measured for each new re-measurement, and that the location of a pre-existing tag should not be relied upon to establish breast height.

**NCR 4 Dated 24 Apr 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 5 - Standard Operating Procedure (SOP) Cardamoms - Forest Inventory v1_20170112.pdf
**Finding**: The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

While on the site visit, the audit team witnessed that the biomass inventory teams carried pgs 12-18 of the SOP (called Annex A) to the field. Annex A was used as a reference when certain ‘irregular’ or oddly shaped trees were encountered. It was verified by the team leader that Annex A was the only portion of the SOP carried by the biomass teams to the field. Annex A contains most, but not all prescriptive rules for the measurement of trees.

**Project Personnel Response**: This was an error in the training of the plot sampling team. Before any new plot measurement is undertaken a retraining of the plot team will occur, including instruction that the entire SOP, in the complete form, will be carried at all times by each sampling team. Additionally, the SOP has been revised in section 4 to make it clear that the full SOP document must be carried at all times. Please see the equipment list in section 4 and the added section 4.7 in the revised forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v2_20180628.
**Auditor Response**: The audit team reviewed the revised version of the SOP, "Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628", in order to see whether the finding could be closed. The audit team can confirm that the "Full Standard operating procedure for plot measurements (including all pages)" is now included as required equipment in Section 4.1 and that Section 4.7 clearly states the expectation that the entire SOP must be carried by each sampling team.

**NIR 5 Dated 24 Apr 2018**
**Standard Reference**: \VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5 S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4

**Finding**: The VM0009 methodology Section B.5 Minimizing Uncertainty and Collecting Consistent Data states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality.” In addition it states, “At a minimum, these procedures must include: Training procedures for all persons involved in field measurement or data analysis. The scope and date of all training must be documented.”

While some elements of worker training are documented in the Project Document, Section 3.2.28, as well as the Monitoring Report, Section 2.3.13, the audit team has not seen the training documents. Please provide the training procedures for all persons involved in biomass field measurement, as well as the scope and date of all training.

**Project Personnel Response**: We have revised the PD and MR documents to provide additional detail on the scope and dates of all team trainings. This information has been included in the PD in section 2.3.14 and in the MR in section 2.3.13. This text details that the primary training document is the SOPs for each relevant area.
**Auditor Response**: The audit team reviewed the revised PD "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7" and the revised MR "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7" and confirmed that the information as stated has been added to the revised sections 2.3.14 and 2.3.13, respectively. Additional information regarding the scope and dates of training workshops have been incorporated. The finding is now closed.

**NCR 6 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Non-Permanence Risk Tool section 2.4.1
**Document Reference**: SC REDD Project Non-Permanence Risk Report.doc
**Finding**: Section 2.4.1 of the AFOLU Non-Permanence Risk Tool states that "1) Natural risk is based on likelihood (i.e., the historical average number of times the event has occurred in the project area over the last 100 years) and significance (i.e., the average significance of each event). Any significant natural risk (i.e., a risk affecting more than 5% of the project area) that has occurred over the past 100 years in the project area shall be considered applicable to the project. The frequency and significance of events shall be estimated based on historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts. Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data. Where such data are not available for the project area, likelihood and significance shall be determined based on conservative estimates (ie, not underestimating the possible frequency or severity) of historical events in the region in which the project is located."

The information on the frequency and significance of events provided in the SCRP risk report does not include any of the appropriate evidence as described above. Please provide the information required to assess the frequency and significance of events for the natural risks category of the risk report (i.e. historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts). Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data.

**Project Personnel Response**: We have submitted to the auditor the file “SCRP Natural Risk Narrative”, this is an annex to the Projects Non-Permanence Risk Report, and supplies the information and data mentioned in the finding. The information in this annex supports the contentions on the risks to the Project’s carbon stocks posed by each type of natural risk as required by the Non-Permanence Risk Tool.
**Auditor Response**: The requested information has been provided to the audit team as described in the project personnel response. Based on this evidence, the audit team agrees that the natural risk for the project is appropriately documented and substantiated. Therefore, the information request has been satisfied.

**NIR 7 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Non-Permanence Risk Tool section 2.2.2
**Document Reference**: SC REDD Project Non-Permanence Risk Report.doc
**Finding**: Section 2.2.2 of the Risk Tool states that "the financial viability of a project is based on 1) the number of years until cash flow breakeven is reached, and 2) the funding that has already been secured relative to what is needed to implement and operate the project until reaching the cash flow breakeven. The cash flow breakeven point is the year in which the cumulative cash flow is positive (ie, cash flow in exceeds cash flow out) and stays positive. Breakeven should be calculated on a cash flow basis based on generally accepted accounting principles. Cash flow in may include commercial revenue streams associated with the project, secured revenue and conservatively projected revenues from the sale of GHG credits, other funding sources such as donor funds, upfront investments, or carbon prepayments, equity or loans. Cash flow out shall include, at a minimum, project implementation costs, costs associated with GHG credit generation (eg, validation, verification and registration), and, where applicable, interest expenses, repayment of loans or forward purchase agreements, and any required equity distributions. The percentage of needed funding secured shall be calculated by adding up all funding and revenue already secured and dividing this by the total cash out up to and including the year the project reaches breakeven."

In terms of evidence for the risk scores chosen, "Projects may demonstrate that funding has been secured through, for example, financial statements, bank records, executed commodity purchase agreements, executed emission reduction purchase agreements, or other signed contractual agreements. Evidence shall be provided that agreement counterparties are in good financial standing, to demonstrate the ability to meet the financial obligations. Given execution uncertainties, options contracts shall not be counted as secured funding. When preparing the cash flow breakeven analysis, the assumptions on revenue from both carbon and other commercial sources (eg, timber) must be conservative and clearly document the source, pricing assumptions, frequency of verification and other relevant variables."

Please submit the documents used to support the Financial Viability risk ratings under the Internal Risk section of the project's Non-Permanence Risk Report to the audit team once available, ensuring that the submissions meet the requirements stated in the paragraph above.

**Project Personnel Response**: We have submitted to the auditor the budget for the Project. This budget shows the Projects expenses, projected revenues from carbon credit sales and other sources of funding. Based on this the Project's breakeven point has been determined and Project cash on hand is shown.
**Auditor Response**: The financial budget and documentation of funding secured have been provided to the audit team as "Southern Cardamom Breakeven Analysis" and "SCRP Secured Funding 2018 -2021 final", respectively. The audit team will follow up with the project team to schedule a walk-through review of the documentation submitted.

**NIR 8 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Non-Permanence Risk Tool section 2.2.4
**Document Reference**: SC REDD Project Non-Permanence Risk Report.doc
**Finding**: Section 2.2.4 of the Risk Tool states that Project longevity (PL) shall be assessed using Table 4, noting the following: “Evidence shall be provided that project ownership (see the VCS Standard for specification with respect to project ownership) can be maintained for the entire project longevity (e.g., where control is secured through a concession that is shorter than the project longevity, such concession is renewable for the full longevity period being claimed).”

In addition, it states, “for all AFOLU project types, the entire project longevity shall be covered by management and financial plans as submitted to local government or financial institutions, or otherwise made public, in which the intention to continue management practices is stated and planned for, and may include external evidence such as municipal land-use plans, institutional structures, or tools such as ecological-economic zoning.”

Please provide the information required to assess the project longevity score.

**Project Personnel Response**: The Project Area has been gazzetted by the Royal government of Cambodia as a National Park. As such the legal requirement to protect the forest of the Project Area from deforestation and conversion to agriculture is enshrined in Cambodian law for perpetuity. Cambodian law requires that the management plan for the Project Area must be conservation of the forest, which is additionally the Project Activity. We have provided the auditor with evidence of the Project Area being gazzetted as a National Park, and the laws dictating the management plan of protection for National Parks. The documents “Sub-Decree 89_Southern Cardamom National_May 9, 2016_english” and “Sub-Decree 80_Tatai Wildlife Sanctuary_May 9, 2016” are English language translation of the relevant Cambodian national laws mandating protection of areas that have been named as National Parks.
**Auditor Response**: The audit team has been provided with documentary evidence that the project area encompasses parts of the Southern Cardamom National Park and the Tatai Wildlife Sanctuary, as indicated in Section 2.1.1 of the PD. However, the claims made regarding project longevity are still not entirely clear. The response to the finding indicates that "the legal requirement to protect the forest of the Project Area from deforestation and conversion to agriculture is enshrined in Cambodian law for perpetuity". Section 2.2.4(5) of the AFOLU Non-Permanence Risk Tool indicates that "Any project with a legally binding agreement that covers at least a 100 year period from the project start date shall be assigned a score of zero for project longevity". Therefore, if there is a legally binding agreement to protect the credited carbon stocks in perpetuity, as suggested in the finding response, this would, by definition, also constitute a legally binding agreement to protect the credited carbon stocks for at least a 100 year period, in which case a score of zero for project longevity should be assigned. However, a score of 15 is assigned for risk factor (b) under project longevity in the most recent version of the non-permanence risk report, entitled "SC REDD Project Non-Permanence Risk Report template v3.2 v3", but a total score of 0 for project longevity is also reported. Please clarify the discrepancies identified above. If claiming that "the legal requirement to protect the forest of the Project Area from deforestation and conversion to agriculture is enshrined in Cambodian law for perpetuity", please explicitly describe the legal framework that requires the protections under discussion. The audit team has reviewed the sub-decrees, along with the 1996 Law on Environmental Protection and Natural Resource Management, and has been unable to identify any regulations requiring protection, either of the Southern Cardamom National Park and the Tatai Wildlife Sanctuary specifically or of "natural resource protection areas" (as defined under Article 8 of the Law on Environmental Protection and Natural Resource Management) more globally.

**Project Personnel Response 2**: According to Cambodia's Protected Area Law of 2008, the Ministry of Environment is responsible for the management of protected areas in Cambodia (Ch II - Article 4,5, and 6). All protected areas are zoned for management purposes (Ch IV – Article 11). In the case of the SCRP, the Project Accounting Area (PAA) is zoned as either a core zone or conservation zone and only small-scale use for NTFPs is allowed in the conservation zone (see attached SCRP zoning map). The broader Project Area (PA) includes a small section of sustainable-use zones and community zones that are managed for the improvement of community livelihoods. There is no sunset time in the law and thus the lands in the SCRP are protected in perpetuity.

There was a mistake in the score for risk factor (b) of the Project Longevity section of "SC REDD Project Non-Permanence Risk Report template v3.2 v3". Based on The Protected Area Law of 2008 and description in the paragraph above the score for risk factor (b) should be 0 and not 15. The final score for Total Project Longevity (PL) should be 0. Please see the attached updated file "SC REDD Project Non-Permanence Risk Report template v3.2 v4".
**Auditor Response 2**: Per the second paragraph of the response, the audit team reviewed the revised NPRR, entitled "SC REDD Project Non-Permanence Risk Report template v3.2 v4", and confirmed that the project longevity score has been changed to 0.

With regard to the evidence pertaining to the legal requirement to protect the forest of Project Area from deforestation and conversion as enshrined in Cambodian law for perpetuity, the project team submitted Cambodia's Protected Area Law of 2008 and referenced specific sections. The audit team reviewed the document, confirming that the Ministry of Environment is responsible for the management of protected areas in Cambodia (as per Ch II - Article 4, 5, and 6), and that all protected areas are zoned for management purposes which can be divided into four "management zoning systems" including the following types: core zone, conservation zone, sustainable use zone, and community zone (Ch IV – Article 11).

However, in the client response the project team references an "attached SCRP zoning map", presumably as evidence to indicate which portions of the project area and PAA correspond with difference management zoning systems. However, the referenced map was not provided.
**Project Personnel Response 3**: Please find the map file "S_Cardamom_Zones_PAA.pdf" in the NIR 8 folder shared with the VVB. This file demonstrates the different management zones within the Project Area.
**Auditor Response 3**: As the zoning map has been provided as indicated and provides substantiation for the claims previously made, this finding can be closed.

**NIR 9 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Non-Permanence Risk Tool section 2.2.1
**Document Reference**: SC REDD Project Non-Permanence Risk Report.doc
**Finding**: Section 2.2.1 of the Risk Tool states "Project management (PM) shall be assessed using Table 1, noting the following: 1) each project management risk factor set out in Table 1 shall be assessed. Where a risk factor does not apply to the project, the score shall be zero for such factor."

The SC REDD Project Non-Permanence Risk Report currently lists 'NA' for Risk Factor a in Table 1-Project Management.

**Project Personnel Response**: We have revised the Project's Non-permanence Risk Report to correct this mistake. Please see the corrected report submitted with these findings responses.

**Auditor Response**: Through review of the revised non-permanence risk report, entitled "SC REDD Project Non-Permanence Risk Report template v3.2 v3", the audit team can confirm that a score of zero is now indicated for risk factor (a) for the project management sub-category. Therefore, the non-conformity has been resolved.

**NCR 10 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Non-Permanence Risk Tool section 2.3.2
**Document Reference**: SC REDD Project Non-Permanence Risk Report.doc
**Finding**: Section 2.3.2 of the Risk Tool states "To achieve the mitigation credit, it shall be demonstrated that a current participatory assessment of the positive and negative impacts of the project activities on the local communities who derive livelihoods from the project area has been completed and demonstrates net positive benefits on the social and economic well-being of these communities. A participatory assessment is considered current where it is completed at least five years prior to the risk analysis. Certification against the Climate, Community & Biodiversity Standards (CCBS) or SOCIALCARBON Standard may be used to demonstrate that a project satisfies this mitigation requirement."

The project's risk report currently claims "the Project has received validation under the CCB standard demonstrating positive impacts on the social and economic well-being of the local communities who derive livelihood from the Project area." While validation assessment under the CCB Standard is currently underway, the project has not yet received validation.

**Project Personnel Response**: The non-permanence Risk Tool has been revised to correct this issue. Due to other mitigations in the calculation of the risk score that the Project is eligible for however, after this correction the risk score for the Project remains at 10. Please see the corrected version of the Non-Permanence Risk Report that has been provided with these responses to the findings.
**Auditor Response**: Through review of the revised non-permanence risk report, entitled "SC REDD Project Non-Permanence Risk Report template v3.2 v3", the audit team can confirm that the mitigation under risk factor (c) of the community engagement sub-category is now stated to be "not applicable" and the calculation of the non-permanence risk score has been adjusted accordingly. Therefore, the non-conformity has been resolved.

**NIR 11 Dated 24 Apr 2018**
**Standard Reference**: AFOLU Requirements v. 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5
**Finding**: The AFOLU Requirements Section 3.1.4 states, "Where an implementation partner is acting in partnership with the project proponent, the implementation partner shall be identified in the project description. The implementation partner shall identify its roles and responsibilities with respect to the project, including but not limited to, implementation, management and monitoring of the project, over the project crediting period."

In the PD, Section 2.1.3 identifies the Project Proponent as the Royal Government of Cambodia, Ministry of Environment, and in Section 2.1.4, Wildlife Alliance is identified as the Partner to MOE in the implementation of the SCRP. These roles were confirmed by the audit team during the site visit.

Section 2.1.11 of the PD states "these proposed project activities were further enriched by the knowledge and experience of the project proponent, who has been engaging with local communities in this landscape for the last decade to identify their needs." Section 2.3.6 states the "Project Proponent has actively communicated to community members and stakeholders about the start of the Public Comment Period and the methods…" and further in Section 2.3.7, and others. However, on the audit it was clear that the Wildlife Alliance had performed such implementing actions.

**Project Personnel Response**: The PD has been revised to better reflect the roles played by the Project Proponent and the Project partner Wildlife Alliance. We have strived to clarify in the text mentioned in this finding and in other places throughout the PD which implementing organization performed each action. Please see the revised version of the PD supplied to the auditor with these responses to the findings for these changes.
**Auditor Response**: The audit team attempted to review the revised version of the PD, entitled "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7", in order to confirm whether the finding could be closed. However, security settings applied to the previous version of the PD, "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5", have made it impossible to perform a document comparison within Acrobat. Therefore, in order to facilitate the audit team's review of the changes made, please identify the specific sections that were changed in response to this finding.
**Project Personnel Response 2**: The latest submitted version of the PD, v1.9 contains no security restrictions and can be freely compared to previous versions. Specific changes for this finding have been made in section 2.3.6 to clarify the site visit and auditor communication opportunity activities implemented by WA.
**Auditor Response 2**: The audit team confirmed that the revised version of the PD, v1.9 contains no security restrictions. Section 2.3.6 and Section 2.3.7 have been revised to clarify the roles played by the Project Proponent and the Project partner Wildlife Alliance. The finding is closed.

**NCR 12 Dated 2 May 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, “The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template.“ In addition, the VCS Standard, Section 3.16.6, states “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The title page in the CCB & VCS Project Description Template, and the CCB & VCS Monitoring Report Template require the GHG Accounting/Crediting Period be indicated. As currently written, the project’s PD lists the GHG Accounting Period as ending 31 December 2044, and the project’s MR lists the GHG Accounting/Crediting Period end date as 31 December 2045. Section 2.1.6 in the MR lists the end date as 1 January 2045, and Section 2.1.15 of the PD lists the end date as 31 December 2044.

**Project Personnel Response**: The correct end date of the Project is the 31 December 2044. This is exactly 30 years from the Project Start Date of 1 January 2015. The Project’s end date had been written incorrectly in the MR. The MR has been revised to correctly state the Project End Date as 31 December 2044.
**Auditor Response**: The audit team can confirm that 31 December 2044 is exactly 30 years from the project start date of 1 January 2015. While this date is consistently identified as the end date of the project crediting period in the revised version of the PD, entitled "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7", a discrepancy remains in the revised version of the MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7". The cover page of the MR indicates that the project crediting period will end on 31 December 2044, but Section 2.1.6 of the MR suggests that the end of the project crediting period is 01 January 2044.
**Project Personnel Response 2**: [A response to this finding was provided outside the cover of the findings workbook.]
**Auditor Response 2**: Through review of the revised monitoring report, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10", the audit team can confirm that the end of the crediting period is stated in Section 2.1.6 to be 01 January 2044, which is consistent with the cover page. The non-conformity has been resolved.

**NCR 13 Dated 2 May 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, “The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template.“ In addition, the VCS Standard, Section 3.16.6, states “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The title pages in the CCB & VCS Project Description Template and the CCB & VCS Monitoring Report Template require as follows in the Prepared By box “Individual or entity that prepared the document, with contact information if different from that of primary project proponent”. As currently written, both the PD and the MR stated “Wildlife Works Carbon LLC” in the Prepared By boxes on the title pages.

**Project Personnel Response**: We have corrected the title pages of both the Project PD and MR to include contact information for Wildlife Works Carbon. Please see the revised PD and MR which has been provided to the auditor along with the responses to these findings.
**Auditor Response**: The audit team can confirm, through review of the revised PD and MR, entitled "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7" and "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", respectively, that the "Prepared By" box in both documents now provides contact information for Wildlife Works LLC. Therefore, the non-conformity has been resolved.

**NCR 14 Dated 2 May 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The CCB & VCS Monitoring Report Template instructions, for Section 2.1.2 Project Category and Activity Type state "Indicate the AFOLU project category... and activity type, if applicable..." Section 2.1.2 in the project's MR states that the project type is REDD and "and Avoided Conversion of Grasslands and Shrublands (ACoGS). Specifically the project falls under the REDD+ category Avoided Unplanned Deforestation (AUD) and ACoGS category Avoided Unplanned Conversion (AUC)." The audit team was not aware that the project is an ACoGS project; the PD states that the project does not contain grassland project accounting areas. In addition, Figure 1 in the MR (Section 2.1.7) includes a grassland accounting area.

**Project Personnel Response**: The Auditors are correct that that Project is not an ACoGS project, and does not contain an grassland component. We have revised the Project's MR to remove these incorrect references.
**Auditor Response**: The audit team can confirm, through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", that any references to the project being an ACoGS project or containing a grassland component have been removed. Therefore, the non-conformity has been resolved.

**NIR 15 Dated 2 May 2018**
**Standard Reference**: VM0009 Methodology
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The Monitoring Report Requirement MRR.6 for the VM0009 methodology requires as follows "MRR.6 A digital (GIS-based) map of the project accounting areas with at least the above minimum requirements for delineation of the geographic boundaries."

The project's Monitoring Report, Figure 1, is a map with a caption reading "The Project Area and Project Accounting Area of the Southern Cardamoms REDD+ Project". The legend shows the REDD+ Project Area shape, as well as categories for the following land cover types: Deciduous Forest, Evergreen Forest, Semi evergreen forest, Grassland/Shrubland, Bamboo, Flooded/Mangrove Forest, and Water. Given the map's title this is suggestive that PAA's exist for the different categories. However, the project's PD states, "PD states that the project does not contain grassland project accounting areas" and Table 8 shows "A summary of current carbon stocks within the Project Accounting Area", with Evergreen Forest and Deciduous Forest as the two Strata listed. Please clarify that the MRR.6 requirements are met, as well as clarify Figure 1's caption and legend.

**Project Personnel Response**: We have revised the map in Figure 1 and added a second map, now labeled as figure 2 to address this finding. We understand the potential confusion noted by the auditor by the old map and we are confident that the revised figure 1 and added figure 2 maps will more clearly meet the MR requirements.
**Auditor Response**: The audit team can confirm, through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7", that the newly added Figure 2 is a stand-alone map that specifically shows the project accounting area. This stand-alone map has cleared up any prior confusion regarding whether multiple project accounting areas existed. Therefore, the non-conformity has been resolved.

**NCR 16 Dated 2 May 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5

S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The instructions for Section 2.5.6 of the CCB & VCS Project Description Template state "Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years.
Demonstrate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project. If applicable, describe measures needed and designed to resolve conflicts or disputes."

While on the site visit, the audit team heard of opposition to the project in several locations, most notably in the Teuk Laak community as noted in the CCB finding NIR.3, as well as other project communities in the same commune as well as in different communes. The complaints described to the audit team centered on the issue of land tenure insecurity and lacking land titles. The issue of land insecurity and land tenure rights is raised in the project's PD several times, including in Section 2.1.8 which contains a comprehensive description of the background regarding Order 01BB and Cambodian land tenure rights, as well as how Wildlife Alliance has worked with directive 01 staff to ameliorate the situation. In addition, in Section 2.1.1 the PD describes how the activity of increasing land tenure security is a key project activity to avoid land tenure conflicts.

Section 2.5.6 of the project's PD currently states: "There are no on-going conflicts or disputes in the SCRP Project Area and Project Zone. There has additionally been no conflicts or disputes over the land, territory or resources in the Project Area over the last 20 years. However illegal land clearing and intrusion by outsides has, and continues to, occur causing some levels of conflicts with local community members and MOE. As there are no on-going disputes, there is no potential for the project to prejudice them through its activities." Given what the audit team heard during the site visit, Section 2.5.6 of the PD (as well as the same in the project's MR) is currently not in compliance.

**Project Personnel Response**: We have revised the Project's PD and MR to state that there are current disputes in the Project Zone concerning land tenure. Additionally, text was added stating that the Project is helping to resolve any disputes through project activities, and that the Project cannot prejudice any resolution of the disputes. Please see the revised PD and MR versions provided with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised PD "S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7" and the revised MR "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7" and confirmed that the information as stated has been added to Section 2.5.6 and Section 2.5.5, respectively. Therefore the finding is closed.

**NIR 17 Dated 3 Jul 2018**
**Standard Reference**: VM0009 Methodology, version 3.0, Section 6
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5, Section 3.1.3
**Finding**: During discussions held on 26 June 2018, it was explained to the audit team that the selection of carbon pools was undertaken following the jurisdictional baseline. The jurisdictional baseline only includes the "Above Ground Biomass" and "Below Ground Biomass" pools (as identified in Table 4-1 of the May 2017 Initial Forest Reference Level document), which correspond to the AGOT and BGOT pools, respectively, as defined by the methodology. As identified in Table 12 of Section 3.1.3 of the PD, the project boundary also includes the carbon pool SD. Through comparison between Table 4-1 of the Initial Forest Reference Level document and Table 1.1 of Chapter 1 of Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (which the audit team understands to be the source of identification of carbon pools in Table 4-1, given the reference to "five carbon pools as described per IPCC guidelines" in Section 4.2.2 of the same document), the audit team can confirm that the "Above Ground Biomass" and "Below Ground Biomass" pools only include "All biomass of living vegetation... above the soil" and "All biomass of live roots", respectively. Given that dead wood was not included in the list of carbon pools selected under the jurisdictional baseline, please provide a justification for the selection of carbon pool SD as identified in the PD.
**Project Personnel Response**: The project has elected to exclude the standing dead (SD) carbon pool from the project so as to maintain consistency with the carbon pools chosen by Cambodia in the national FRL. We believe that this the most conservative option for the project since we are utilizing the jurisdictional FRL is to ensure that there is consistency between the carbon pools selected in the Project. Please view the Project and Proxy Area Carbon models to see that SD has now been excluded from accounting.
**Auditor Response**: Given that the carbon pool SD is no longer included in the project boundary (per Table 12 of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9", the information request is no longer relevant and will be withdrawn. Note that the methodology states that "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements". Given that a jurisdictional baseline includes the quantification of baseline emissions (as made clear through review of Section 3.11.9 of the Jurisdictional REDD+ Program and Nested Project Requirements V3.1), the audit team concludes that, when a jurisdictional baseline is used, the selection of carbon pools as set out in that jurisdictional baseline supersedes guidance provided in the methodology for selection of carbon pools.

**NIR 18 Dated 5 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 6; VCS Standard V3.7, Sections 2.4.1 and 3.1.1
**Document Reference**: N/A

**Finding**: Section 3.1.1 of the VCS Standard states that “Projects shall be guided by the principles set out in Section 2.4.1.” The principle of conservativeness, as set out in Section 2.4.1 of the VCS Standard, is as follows: “Use conservative assumptions, values and procedures to ensure that net GHG emission reductions or removals are not overestimated.”

The audit team understands that, as allowed for by Section 6 of the methodology, an established jurisdictional baseline has been used. The audit team was provided with evidence of an email exchange with Verra personnel in which Verra personnel stated, in an email sent 27 February 2018, "Where a project applies a jurisdictional baseline as allowed by a VCS methodology, the requirements within the methodology for determining the rate of deforestation must be disregarded as the project method baseline rate is superseded by the jurisdictional baseline rate." The same email also states, “Additionally, to ensure projects crediting is in line with national accounting, the 10-year decay function for below-ground biomass as required by Section 4.5.3 of the AFOLU Requirements may be disregarded.”

Therefore, any requirements within the methodology that solely pertain to determination of the baseline rate of deforestation have been considered by the audit team to be inapplicable. Furthermore, logical inference suggests that, to ensure projects crediting is in line with national accounting, other requirements for the quantification of the baseline, may also be disregarded, where (1) they conflict with the established jurisdictional baseline or (2) they can only be validly implemented using the products of analytical processes that would normally be required by the methodology for determination of the baseline. However, logical inference also suggests that, where methods undertaken to quantify baseline emissions necessarily differ from the methods used in the established jurisdictional baseline, it is incumbent upon the VVB to assess whether those methods meet the definition of conservativeness, as provided above.

Through review of the reports accompanying both the July 2016 and May 2017 reports accompanying the Initial Forest Reference Level (available athttp://redd.unfccc.int/submissions.html?country=khm; accessed 14 May 2018), the audit team understands that the forest reference level was quantified using the following process, as documented in Annex 1 of each report and following the equation in Section 4.7 of each report:

- Calculate the number of hectares in Cambodia in the various defined LU/LC classes, in 2006, 2010 and 2014
- Multiply the number of hectares in each class, at the various points in time, by an “emission factor” pertaining to the carbon stock associated with the class
- Calculate the transitions between LU/LC, in terms of carbon stocking, from 2006 to 2010, and from 2010 to 2014
- Sum across transitions to determine the annualized emissions and removals from 2006 to 2010, and from 2010 to 2014
- Add the emissions and removals from each time period and average the resulting values to calculate the forest reference level

As the audit team understands it, the process described above has not been utilized in calculation of the baseline emissions and removals for the project. Instead, the activity data (i.e., the deforestation rate from 2006 to 2014, annualized and scaled to the size of the project accounting area) has been multiplied by the difference between carbon stocks in the project accounting area and proxy areas to result in a calculation of the baseline emissions and removals. The audit team understands that the specific approach undertaken for the reference emission level cannot be undertaken to calculate baseline emissions and removals for the project, due to the limitations inherent in scaling a national baseline to a specific project area. A primary obstacle to scaling the national-level activity data is that the proportion of each of the strata within the project area that would be deforested in the scaled-down national baseline is unknown.

For baseline types F-U1 and F-U2 (for which the baseline configuration is mosaic, as set out in Section 6.3.1 of the methodology), as provided in Sections 8.1.1.3 and 8.1.1.4 of the methodology, the variable c(P BM[m=0]) is “the average carbon stocks in biomass as measured in the project account area prior to the first monitoring event”. For F-U1 and F-U2, the methodology effectively requires the assumption that deforestation would take place in all strata included in the project accounting area, with probability proportional to the area of each stratum within the project accounting area. This is an appropriate assumption in respect of a mosaic baseline configuration, where deforestation can be expected to effectively take place throughout the project area. The approach set out in Sections 8.1.1.3 and 8.1.1.4 effectively parallels the quantification approach carried out for calculation of baseline emissions and removals.

However, for baseline type F-U3 (for which the baseline configuration is unknown, and may be mosaic or frontier), a spatial algorithm, as required in Section 8.1.1.5.1 of the methodology, conservatively assumes that deforestation occurs first in the lower-stocked strata. As reported to the audit team during the 26 June 2018 meeting with project personnel, the baseline type applicable to this project is F-U3. Given uncertainty regarding the baseline configuration (and corresponding uncertainty regarding the extent to which of the two different strata would be deforested in the baseline scenario), it would seem that the principle of conservativeness requires implementation of a spatial algorithm similar to that set out in Section 8.1.1.5.1 of the methodology. Given this, please provide a justification for not implementing such an approach, or otherwise conservatively accounting for the areas of uncertainty highlighted above, in quantification of baseline emissions and removals.
**Project Personnel Response**: We have reached out to Verra for guidance on this issue and have received the following statement in an email on July 18th 2018.
“As the emissions level being applied has been determined from the entire jurisdiction, as opposed to being determined from the historical rate that occurred in a reference region comparable to project area, spatial mapping is not necessary to predict where deforestation will happen in the PA. However, without the use of a reference region to demonstrate the threat of deforestation, it is critical for the project proponent to provide justification that the project area (or stratification of the project area) is under threat of deforestation as compared to the drivers of deforestation established at the jurisdictional level.
Therefore, where project proponents utilize a jurisdictional reference level or baseline rate of deforestation, spatial mapping of the baseline deforestation within the project area is not required, and any methodological requirements corresponding to the VCS rules set out in Section 4.4.7(2)(c)(i) may be disregarded.”
We have provided the full text of this guidance to the auditor in the file “VERRA Guidance_Project Use of Jurisdictional FRELs.pdf.” Based on this guidance we believe that the project has clearly demonstrated that the full extent of the Project Area is under threat of deforestation, and that with the use of a FREL a Project with a baseline type of U3 is not required to use a spatial algorithm.
**Auditor Response**: A copy of the referenced email (sent by Andrew Beauchamp on 18 July 2018) was provided in the file "VERRA Guidance_Project Use of Jurisdictional FRELs" that was submitted to the audit team. The audit team can confirm that the quotation provided in response to the finding has been accurately transcribed from said email. Given that Verra has concluded that "As the emissions level being applied has been determined from the entire jurisdiction, as opposed to being determined from the historical rate that occurred in a reference region comparable to project area, spatial mapping is not necessary to predict where deforestation will happen in the PA", this constitute appropriate justification for the action taken (as requested in this finding), and the finding may be closed.

**NIR 19 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 6.3.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5
**Finding**: The methodology requires the following: "If the baseline scenario does not meet the definition of APD, then determine the length of perimeter along the boundaries of the project area that is within 120 meters of deforestation that occurred within 10 years prior to the project start date."

The PD provides evidence of the required analysis in Section 3.1.4. As discussed with project personnel during a meeting held 26 June 2018, the analysis undertaken was performed as a good-faith effort to satisfy the requirements of option 2 of Section 6.17 of the methodology. However, as discussed in detail with project personnel, it is the understanding of the audit team that there are some salient distinctions between the procedures described in Section 6.17 of the methodology and the criteria described in Section 6.3.1 of the methodology. Please provide evidence of an analysis specifically meeting the requirements of Section 6.3.1. Note that it is not technically required to document the results of this analysis in the PD, given that baseline type F-U3 has been selected.

**Project Personnel Response**: In undertaking this analysis we identified that 21.9% of the Project's boundary has deforestation that occurred within the last 10 years present within 120 m of the boundary. We have provided the auditor with this data, a map showing the analysis and the shapefiles used to perform the analysis.
**Auditor Response**: The audit team can confirm that an analysis has been provided to the audit team in the form of the document "SC_ThreatAnalysis_NEW" and supplementary documentation. In addition, given that the use of the jurisdictional baseline supersedes any requirements within the methodology that pertain to the prediction of where deforestation would take place in the baseline scenario (see NIR 18), the audit team concludes that the referenced requirement from Section 6.3.1 of the methodology can be disregarded. This finding is, therefore, withdrawn.

**NCR 20 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 2.3
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5
**Finding**: The methodology requires the following: "For validation and verification purposes, the project proponent must document the project design and calculated NERs using the Project Description Requirements (PD Requirements) and the Monitoring Requirements." As discussed with project personnel during a meeting held 26 June 2018, there are a number of areas in which information within the PD does not fully satisfy all of the PD Requirements in the methodology.

As an example, PDR.2 requires the following: "Where applicability conditions apply, credible evidence in the forms of analysis, documentation or third-party reports to satisfy the condition." Regarding applicability condition #7 ("The project accounting area(s) must not contain peat soil"), the PD references Appendix E for evidence that this condition is met. However, there is no Appendix E within the PD.
**Project Personnel Response**: The PD has been revised to include more detailed information on the soil types present in the Project Area, and demonstrating that they are not considered peat soils, additionally the map reference has been corrected.
**Auditor Response**: The PD has been revised to include a corrected map reference to Appendix A which contains a map of the soil types present in the Project Area. Section 3.1.2 (including the write up for PDR.2) has been revised to include additional information about soils and justification for the statement that peat soils are not included in the project area, per applicability condition #7. The audit team finds these to be reasonable.

**NIR 21 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4, Section 3.1.3
**Finding**: The methodology requires that "The monitoring report must include the following… If applicable, a detailed description of the process used to develop allometric equations, to include:
Sample size
Distribution (eg, diameter) of the sample
Model fitting procedure
Model selection"

In response to this Monitoring Requirement, the MR states the following: "Please refer to Annex 7 – Development of Allometry – Chyulu Hills REDD+ Project".

Note that Monitoring Requirement is only required "if applicable" (i.e., if allometric equations were developed following the procedure set out in Section 9.3.3.2 of the methodology). It is the understanding of the audit team that this has not been done for the project under review (as previously developed allometric equations have been used). Therefore, please clarify the rationale for the reference to "Annex 7 – Development of Allometry – Chyulu Hills REDD+ Project".
**Project Personnel Response**: The reference to the file "Annex 7 – Development of Allometry – Chyulu Hills REDD+ Project" was made in error. This MR is not applicable to the SCRP as no new allometric equations were developed for the project. MR 94 has been updated accordingly.
**Auditor Response**: The audit team confirms that the section has been revised as stated. In response to NCR 22 and NCR 23, it has been clarified that allometric equations were not developed for the project area, and so the audit team agrees that the requirement in question is not applicable.

**NCR 22 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: The MR has not provided any of the information required by Monitoring Requirements 99-103, as set out in the methodology
**Project Personnel Response**: The referenced MRs have all been added to be MR. Please see the revised version of the MR provided along with these responses to the findings. .

**Auditor Response**: Through review of Section 6 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that some information responsive to the requirements has been added. The audit team's specific feedback regarding the extent to which each of the Monitoring Requirements is satisfied is provided below. In summary, this finding remains open because Monitoring Requirements 100, 102 and 103 have not been fully satisfied.
Monitoring Requirement 99: It is clearly established that a single allometric equation has been used, and a complete reference to said equation has been provided. The MR has been satisfied.
Monitoring Requirement 100: It is required that the following be provided: "For each selected allometric equation, a list of species to which it is being applied and the proportion of the total carbon stocks predicted by the equation." There is one selected allometric equation. Therefore, it is required that the MR include a list of species to which the one selected equation is being applied. Such a list is not included in the MR. The MR does correctly state that the selected equation "... is applied to 100% of the total carbon stocks".
Monitoring Requirement 101: The monitoring period when the selected equation was first employed to estimate carbon stocks in the project area is provided, both in terms of monitoring period number and the years of the monitoring event.
Monitoring Requirement 102: While a justification is provided for the assertion that the selected equation does not need to be validated per Section 9.3.3.1 (but see the audit team's feedback regarding the response to NCR 23), it is not clearly stated whether or not the selected equation was validated per Section 9.3.3.1.
Monitoring Requirement 103: The source of the selected equation is well-documented throughout Section 6 of the MR. However, while a justification for the applicability of the selected equation "to the project area considering climatic, edaphic, geographical and taxonomic similarities between the project location and the location in which the equation was derived" is provided, this justification has been found to be incomplete, as it pertains to the specific equation (model II.2) selected from the Chave et al. (2005) publication, in that the justification pertains generally to the equations from the Chave et al. (2005) publication and does not specifically address model II.2. The audit team's specific comments regarding the evidence provided in this justification are as follows:
- The following is stated: "As noted above, one of the study sites used to derive the Chave allometric equations was located in Cambodia, very geographically close to the Project Area, in the same forest type with very similar soil types and climate. Other study sites were additionally located in Southeast Asia." The audit team agrees that this serves as an appropriate data point in the discussion regarding the applicability of model II.2 to the project area. However, it is not, in and of itself, sufficient as justification regarding said applicability. This is particularly the case since, according to Table 1 of the publication, only 92 of the trees included in the study came from the "Cheko" site in Cambodia; this is a small fraction of the 2,140 trees included in the study.
- It is stated that "The RGC FREL is proposing to utilize these equations for the estimation of above-ground biomass in the national inventory (RGC, 2017)." This is a correct assertion. However, from reference to Section 4.9 of the referenced report, the audit team has model II.2 is not proposed for use in the RGC FREL. Rather, it appears that forest-type-specific equations that use height as a predictor variable are proposed for use.
- It is stated that "Additionally, the VCS Keo-Siema REDD+ Project which is located in eastern-Cambodia in a similar evergreen forest type utilized allometric equations from the Chave et al. (2005)." However, the specific equation utilized in the referenced project, as documented in Annex 4.3 of the validated PD for said project, was not model II.2.
- It is stated that "Lastly, the FAO performed a study that included an analysis of the best methods with which to estimate biomass in Cambodia (Sola et al. 2014). They identified the Chave et al. (2005) as the best fit and conservative approach for the estimation of above-ground biomass in Cambodia utilizing data from several Cambodian field sites, including the Project Area." However, a full and complete reference to "Sola et al. 2014", such as would allow a reader to independently assess the veracity of the presented information, has not been provided.
- Finally, upon review of the Chave et al. (2005) publication, the audit team has substantive concerns regarding the selection of model II.2. On page 92 of the publication, it is stated that "Models that did not include forest type as a predictive variable (models II.2, II.4, and II.6) systematically overestimated the

AGB of wet forest sites, sometimes by over 50%" (the "Checko" site in southwest Cambodia is considered a "wet" site according to Table 1 of the publication). On page 96 of the publication, it is stated that "The best predictive models were forest type-dependent.... That the model parameters should vary across forests is easily interpretable, because forest types with similar diametric structure may vary considerably in canopy height." Thus, it can be concluded that model II.2 is not recommended by Chave et al. (2005) and that very significant potential issues with model II.2 have been documented. It is important that any justification for the applicability of model II.2 to the project area address these substantive concerns.
**Project Personnel Response 2**: We have found that the Chave et al. (2005) model II.2 is the most applicable model to be used for the SCRP. Please see the additional data provided for the finding NCR.23 regarding the destructive harvest analysis and the comparison of 3 different models from the Chave et al. (2005) paper. This included the 2 models discussed by the auditor as being recommended by Chave for use, one utilizing height and the second not including height as a variable. As can be seen in the provided analysis using local destructive harvest data Chave et al. (2005) was shown to be the most conservative overall, especially at larger DBH's, where the other Chave models were shown to significantly overestimate biomass. This is inline with WWC's previous experience with the Chave models. Therefore, we find that the Chave et al. (2005) model to be the most appropriate of the Chave models for the SCRP project.
**Auditor Response 2**: The revised monitoring report, "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10", was reviewed to check whether the finding could be closed. Following is the audit team's assessment regarding whether each of Monitoring Requirements 100, 102, and 103 have been satisfied.

- Monitoring Requirement 100: A list of species to which the selected equation is being applied has still not been provided. Therefore, the MR has not been satisfied.
- Monitoring Requirement 102: An indication has been provided to the effect that the selected equation has been validated. Therefore, the MR has been satisfied.
- Monitoring Requirement 103: It does not seem that any information has been provided in response to this MR additional to the information provided in the prior MR. While the information provided in the written response to the finding (regarding the accuracy of the selected model relative to the forms recommended by Chave et al. (2005) is compelling, this information has not been directly provided in the monitoring report. Therefore, the MR has not been satisfied.

Because Monitoring Requirements 100 and 103 have not been satisfied in full, the finding must remain open.
**Project Personnel Response 3**: Responses for each MRR referenced are as follows:
-MRR.100: As it is not practical to list all species identified in the SCRP forest inventory in a table within the monitoring report, a reference is made within MRR.100 to 'Annex 10 - Cardamoms REDD Carbon Inventory v7.xlsm' (the carbon inventory) which contains a list of all species and corresponding allometric equation applied to each.

-MRR.103: The accuracy of the selected model (i.e. results of the validation) were in fact discussed in the MR in the form of dissemination of results of the validation and a discussion. These items were previously located under MRR.102 and have therefore been relocated to MRR.103. Additionally, results for the derivative test (VM0009, section 9.3.3.1) have been updated and an updated allometry validation calculation worksheet has been provided to the auditors.

**Auditor Response 3**: The revised monitoring report, "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.12", was reviewed to check whether the finding could be closed. Following is the audit team's assessment regarding whether each of Monitoring Requirements 100 and 103 have been satisfied.

- Monitoring Requirement 100: It seems reasonable to conclude that it is not practicable to list, within the MR, all species to which the selected equation is being applied. And, in any case, Section 2.3 of the methodology allows for monitoring requirements to be satisfied "in a document(s) referenced from the PD or monitoring reports". However, in order for this requirement to be satisfied through reference to external documents, it is necessary for a clear reference to be provided. A clear reference has not been provided to the location, within the workbook "Cardamoms REDD Carbon Inventory v8", wherein the required information has been provided. Therefore, the monitoring requirement has not been satisfied.
- Monitoring Requirement 103: The audit team agrees that, with the addition of information about the model validation results, a compelling justification for the applicability of the selected equation to the project area has been provided.

Because Monitoring Requirement 100 has not been satisfied in full, the non-conformity has not been fully resolved. However, for administrative reasons, this finding will be closed and replaced with NCR 72.

**NCR 23 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3.3.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4
**Finding**: Section 9.3.3.1 states that “When equations are taken or modified from existing literature that is not similar to the project area as described above or are selected from a biome-wide database, such as those provided in Tables 4.A.1 to 4.A.3 of the GPG-LULUCF (IPCC, 2006), they must be verified by measurements of trees within the project area or in stands similar to the project stands in the same forest type as project stands and near the project area.” While the equation(s) utilized are not reported in the MR (see NCR 22), the audit team understands from past communication with project personnel that the equation developed by Chave et al. has been used. This equation is taken from existing literature that is not similar to the project area (in that is from a study with a global scope of applicability) and, therefore, the requirements of Section 9.3.3.1 of the methodology are applicable. However, the MR does not include any of the information required by Monitoring Requirements 104-108, as set out in the methodology.
**Project Personnel Response**: As noted in the response to the previous finding (NCR 22) we have added to the MR the MR 99-103. Included in the discussion for each of these MRs is information and evidence demonstrating that the Chave et al. 2005 allometric equations were actually developed using data from study sites that are similar to the Project Area, and that these equations are widely used and accepted for use for the estimation of above-ground biomass of trees in Cambodia. Therefore, the Chave et al (2005) equations do meet the definition of the methodology VM0009 v3 for being an allometric equation taken from existing literature that was developed using data from a similar area as that of the Project Area.
**Auditor Response**: The audit team reviewed the information provided in response to Monitoring Requirements 102 and 103 in Section 6 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", to see whether this finding could be closed.

The audit team can confirm, through reference to Table 1 of the publication by Chave et al. (2005), that data collected from a site in southwest Cambodia was among the data used in development of the equations presented in that publication. However, the audit team notes that the relevant language from Section 9.3.3.1 of the methodology refers to whether "equations are taken or modified from existing literature that is not similar to the project area as described above or are selected from a biome-wide database". That is, the question is not whether some of the data used in development of the existing literature are from locations "similar to the project area" but whether the "existing literature" itself is "similar to the project area as described above". The reference to "as described above" pointed the audit team to the language of Section 9.3.3 of the methodology. While an explicit definition of what is meant by "taken or modified from existing literature that is not similar to the project area" is not provided in Section 9.3.3 of the methodology, it is stated in that section that "If generalized equations developed for wide scale application are used, they must be validated using the procedures below". It appears to be self-evident to the audit team that the equations presented in Chave et al. (2005) are "generalized equations developed for wide scale application". Therefore, the text in Section 9.3.3 serves as further confirmation of the audit team's interpretation of the text in Section 9.3.3.1, which is that the Chave et al. (2005) publication, as a whole, is not "similar to the project area as described above".

Therefore, the audit team continues to be of the opinion that Monitoring Requirements 104-108 remain fully applicable to allometric equations selected from the Chave et al. (2005) equation, and this finding must remain open.
**Project Personnel Response 2**: We have performed an analysis of destructive harvest data to complete the MRR.104-108 in-line with the requirements of the VCS methodology VM0009 section 9.3.3.1. We utilized two published studies of Cambodian destructive harvests that are in area’s similar to the Project Area. These studies are of high quality and included a large enough sample size to satisfy the requirements of the methodology. This analysis demonstrated that the Chave et al. (2005) model II.2 meets all of the requirements of VM0009 for allometry and is the most appropriate form of the Chave et al. (2005) equations.

**Auditor Response 2**: The audit team can confirm that model II.2 from Chave et al. (2005) was validated as indicated (see the audit team's internal working papers for more detail regarding the audit team's confirmatory checks and findings). In addition, an effort has been made in the revised monitoring report "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10" to fully address Monitoring Requirements 104-108. Following is the audit team's assessment regarding whether each of Monitoring Requirements 104-108 have been satisfied.

- Monitoring Requirement 104: Model II.2 is correctly listed as the only equation validated by destructive sampling.
- Monitoring Requirement 105: The number of trees destructively sampled and the locations of the sampling sites is provided. The information appears to be correct.
- Monitoring Requirement 106: A "field protocol used to measure destructively sampled trees (or non-trees)" is provided for the dataset from the Keo-Seima REDD+ Project, but not for the dataset from Chave et al. (2014). The audit team understands that the methodology allows for information required by Monitoring Requirements to be provided in "document(s) referenced from the PD or monitoring reports", and the reference provided to Walker et al. (2009) is sufficient to satisfy this requirement in respect of the data from the Keo-Seima REDD+ Project. However, no reference has been provided for the field protocol used measure destructively sampled trees for dataset used in Chave et al. (2014). The Hozumi et al. (1969) study is mentioned as the data source, but it's not clear that the field protocol is contained within that publication.
- Monitoring Requirement 107: The required information has been provided in respect of the data from the Keo-Seima REDD+ Project, but not in respect of the dataset used in Chave et al. (2014), for reasons similar to those given above. Because it is unclear what field protocol was used to collect the data used in Chave et al. (2014), it is likewise unclear whether the protocol used conservatively estimates biomass.
- Monitoring Requirement 108: The requested information has been provided in Figure 10.

Because Monitoring Requirements 106 and 107 have not been satisfied in full, the finding must remain open.

**Project Personnel Response 3**: Responses to the MRRs referenced in the auditor's finding above are as follows:

-MRR.106: The original Hozumi et al 1969 publication has been obtained and contains a clear description of the field protocol used to measure biomass for the Cheko study. A reference to the study has been inserted into MRR.106 and the manuscript has been provided to the auditor.

-MRR.107: As stated above, the original Hozumi et al 1969 publication has been obtained and contains a clear description of the field protocol used to measure biomass for the Cheko study. The Cheko study, performed by Hozumi et al in 1969 and referenced by Chave et al (2014) shows good correlation between total biomass in the Cheko region and similar forests in Kao Chong and moist tropical forest in Ghana, indicating that the protocol accurately estimates biomass. This justification has been inserted into MRR 107 in the MR.

**Auditor Response 3**: The revised monitoring report, "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.12", was reviewed to check whether the finding could be closed. Following is the audit team's assessment regarding whether each of Monitoring Requirements 106 and 107 have been satisfied.

- Monitoring Requirement 106: A clear reference to the field protocol used by Hozumi et al. (1969) has been provided. Therefore, the non-conformity has been resolved.

Monitoring Requirement 107: Now that it is clear what field protocol was used by Hozumi et al. (1969), the information previously provided can be placed in context. The audit team agrees that a clear justification for why the protocol Hozumi et al. (1969) conservatively estimates biomass has been provided.

**NCR 24 Dated 13 Jul 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_4, Section 3.1.3
**Finding**: The methodology requires that "The monitoring report must include the following… The estimated carbon stock, standard error of the total for each stock, and the sample size for each stratum in the area selected."

In response to this Monitoring Requirement, the MR states the following: "Please refer to Annex 12 – SCRP PAA NER Worksheet." The reference to "Annex 12 – SCRP PAA NER Worksheet" is confusing, as the audit team is unaware of the file being referenced.

**Project Personnel Response**: We have added the required information to the MR. Please see the revised MR that was provided along with these responses to the findings.
**Auditor Response**: Table 8 has been added to the revised MR (document entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9"), and the audit team confirms that Table 8 contains the required information for each stratum in the area selected. The finding is closed.

**NCR 25 Dated 13 Jul 2018**
**Standard Reference**: VM0009, version 3.0, Section 7; VT0001, Section 2.1.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.5, Section 3.1.5
**Finding**: PDR.99 requires that the PD include “A list of alternative land use scenarios to the project”. PDR.100 requires that the PD include “Justification for the selected baseline scenario”. PDR.103 requires that the PD include “Evident compliance with the minimum requirements of the aforementioned VCS tool.” A list of alternative land use scenarios is provided in Section 3.1.5 of the PD. However, as described to project personnel in a meeting held on 26 June 2018, this list is inaccurately specified in that, under “Continuation of the pre-project land use”, it is suggested that the pre-project land use has been one of continuation and proliferation of unplanned deforestation. In fact, the audit team understands that the pre-project land use within the project area has been one of successful forest protection. If, as posited in the PD, the baseline scenario is one of unplanned deforestation, such a scenario must be explicitly included in the list of alternative scenarios. Note that Section 2.1.1 of the VT-0001 tool requires the following: “All identified land use scenarios must be credible. All land-uses within the boundary of the proposed VCS AFOLU project that are currently existing or that existed at some time in the period beginning ten years prior to the project start date but no longer exist, may be deemed realistic and credible. For all other land use scenarios, credibility shall be justified. The justification shall include elements of spatial planning information (if applicable) or legal requirements and may include assessment of economic feasibility of the proposed land use scenario.” Given that it appears the proposed baseline scenario did not exist at some time in the period beginning ten years prior to the project start date, it seems to be required to provide in the PD a justification of credibility, following the requirements of VT0001.
**Project Personnel Response**: The proposed alternative land-use, unplanned deforestation, is justified based on the data from enforcement efforts of the project proponent with the support of Wildlife Alliance. According to enforcement data collected by Wildlife Alliance since 2002, all of the unplanned drivers of deforestation that lead to the creation of new land for farming are present in the SCRP; this includes land encroachment, illegal logging, illegal camps, forest fires, and charcoal kilns (SCRP Enforcement Data 2002 TO DATE-2017_Updated Feb 2018). For example in 2017 alone, there were 57 land encroachments, 438 illegal camps, 711m3 of timber confiscated, 448 chainsaws confiscated, 89 charcoal kilns, 2 sawmills, and 17 forest fires.
The drivers of deforestation are still present because of the opportunity cost of the most profitable alternative land-use, mixed vegetable farm, is 652% more profitable than if the forests of the SCRP are left standing. Please refer to "SCRP NPV analysis final.xls" for this analysis.

**Auditor Response**: The audit team reviewed the information provided in response to PD Requirements (PDRs) 99 and 100 in Section 3.1.5 of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9", to see whether this finding could be closed. Section 3.1.5 of the PD now contains a list of the "alternative land use scenarios to the project". However, the manner in which the list is presented suggests that the scenarios (slash and burn agriculture, illegal logging, etc.) constitute all of the "alternative land use scenarios to the project". In fact, all of the alternatives identified under (i)-(iii) in Sub-step 1a are considered "alternative land use scenarios to the project" in the vernacular of the VCS additionality tool, because all such scenarios pertain to what could happen in the absence of the VCS AFOLU project activity (i.e., in the absence of funding from VCUs).

The audit team agrees, based on review of the information presented for alternative scenario (i) and on-site inspections and interviews, that the credibility of the "alternatives" slash and burn agriculture, illegal logging, small holder agroforestry and small holder farming has been established in the PD. However, the "Justification for the selected baseline scenario", as provided, is confusing. It is stated in the PD that "VM0009, 'Methodology for Avoided Ecosystem Conversion' v3 provides a step-wise approach for selecting the most plausible baseline scenario. For the SCRP, this was determined to be the continuation of pre-project land-use activity: namely, grant and donor funded conservation, as described in Step 1a above. However, due to the issues discussed above, this baseline scenario would most likely not be successful due to inadequate levels of funding and the unpredictable nature of the funding limiting the ability to create long-term plans." It cannot logically be the case that continuation of the pre-project land use is both the "most plausible baseline scenario" and "likely not… successful", since the baseline scenario is, per Section 2.19 of ISO 14064-2:2006 (as referenced in Section 1 of the VCS Program Definitions, V3.7), the "hypothetical reference case that best represents the conditions most likely to occur in the absence of a proposed greenhouse gas project".

Due to the discrepancies identified above, the requirements of PDRs 99 and 100 have not been completely satisfied.

**Project Personnel Response 2**: Section 3.1.5 "Justification for the selected baseline scenario" has been updated to describe slash and burn agriculture as the most likely baseline scenario without the project.

**Auditor Response 2**: The audit team can confirm that the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.11", clearly describes slash and burn agriculture as the most likely baseline scenario. However, there remains one area where clarity is lacking. Under Sub-step 1b it is stated that "The two scenarios listed above that were found to be credible (i and iii) are consistent under enforced applicable laws and regulations". Given the recent additions, there are now six scenarios listed under Sub-step 1a. It appears that Sub-step 1b has not been updated to take account of the four added scenarios in Sub-step 1a. Therefore, the requirements of PDRs 99 and 100 have not been completely satisfied.

**Project Personnel Response 3**: Section 3.1.5 - Sub-step 1.b has been updated and states the following "The scenarios listed above that were found to be credible (i and iii) are consistent under enforced applicable laws and regulations". This now takes into account the four added scenarios in Sub-step 1a. Additionally, sub-step 1b has been updated to relate directly to all scenarios identified previously in the section.

**Auditor Response 3**: Through review of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.14", the audit team can confirm that the core remnant issue (the text of Sub-step 1b not having been updated to take account of the added four sub-scenarios not identified as scenario iv in Sub-step 1a) has been substantively resolved. While small inconsistencies in the text remain, they do not significantly degrade the clarity of the discussion. Therefore, the non-conformity has been fully resolved.

**NCR 26 Dated 10 Aug 2018**
**Standard Reference**: AFOLU Requirements V3.7, Section 3.7.3
**Document Reference**: SC REDD Project Non-Permanence Risk Report template v3.2 v3
**Finding**: Section 3.7.3 of the AFOLU Requirements states that "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification... The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template..."

The instructions under Sections 1 and 2 of the VCS Non-Permanence Risk Report Template state the following: "Document and substantiate the risk and/or mitigation for each risk factor applicable to the project. Include any relevant documentary evidence. Where a risk or mitigation is not relevant to the project, please write “Not applicable”." Review of the non-permanence risk report suggests many instances in which the instructions are not being followed as written. The two most common issues are (1) failure to "document and substantiate the risk and/or mitigation" for each applicable risk factor and (2) for risk factors that are not applicable, the failure to explicitly so state. A list of non-conformities identified under the project management and financial viability sub-categories is provided below. This is not an exhaustive list of all non-conformities identified within the non-permanence risk report, but it is provided so that project personnel may have a list of examples to draw from in updating the non-permanence risk report.

1) For risk factor (c) under the project management sub-category, it is stated that "The Project management team has extensive experience in all skills necessary for the project activities." Thus, it is suggested that risk factor (c) ("Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities...") is not applicable to the project, but this is not explicitly stated in the manner required by the Template. The same is true for risk factor (d) in the same sub-category.
2) It is suggested that risk factor (d) ("Project cash flow breakeven point is 4 years or less from the current risk assessment") under the financial viability sub-category is applicable to the project, but this risk factor is not documented and substantiated as requirement by the template.
3) It is suggested that risk factor (f) ("Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven") under the financial viability sub-category is applicable to the project, but this risk factor is not documented and substantiated as requirement by the template.
4) It is suggested that risk factor (i) ("Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven") under the financial viability sub-category is not applicable to the project, but this is not explicitly stated in the manner required by the Template.
**Project Personnel Response**: We have revised the non-permanence risk report in accordance with the auditors request. We have also provided the requested financial documents and budgets to the auditor team outside of this workbook to substantiate the risk factors applied as noted in points 2-4 in the finding. This information for points 2-4 was provided in a phone call on August 17th 2018 and with a follow-up email on August 24th 2018.
**Auditor Response**: The audit team reviewed the revised NPRR, entitled “SC REDD Project Non-Permanence Risk Report template v3.2 v4”, as well as the financial documents referenced in the client’s response.
In the revised NPRR document, the following changes were made:
1) The changes to the Project Management sub-category were made.
2) The changes to the Financial Viability sub-category were made; the supporting documentation was provided to the audit team as stated in the client’s response.
3) The changes to the Financial Viability sub-category were made; the supporting documentation was provided to the audit team as stated in the client’s response.
4) A change to risk factor (i) was made to match the statement.
The finding can be closed.

**NCR 27 Dated 10 Aug 2018**
**Standard Reference**: AFOLU Requirements V3.7, Section 3.7.3
**Document Reference**: SC REDD Project Non-Permanence Risk Report template v3.2 v3
**Finding**: Section 3.7.3 of the AFOLU Requirements states that "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification... The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template..."

The instructions under Section 3 of the VCS Non-Permanence Risk Report Template states the following: "Explain the significance and likelihood of the natural risk and any mitigation activities implemented, (copy table for each natural risk)." For the fire risk, the audit team understands that no mitigation has formally been claimed, since the risk score of 2 is the appropriate score for a likelihood of "Less than every 10 years" and a significance of "Insignificant". However, the non-permanence risk report indicates that a mitigation of "Reforestation of burned areas" has been employed.
**Project Personnel Response**: The drivers of deforestation are still present because of the opportunity cost of the most profitable alternative land-use, mixed vegetable farm, is 652% more profitable than if the forests of the SCRP are left standing. Please refer to "SCRP NPV analysis final.xls" for this analysis.
**Auditor Response**: The response provided does not seem to match with the finding. However, the audit team reviewed the revised NPRR (the document entitled “SC REDD Project Non-Permanence Risk Report template v3.2 v4” ) and the mitigation of “Reforestation of burned areas” has been changed to “Not applicable”. Therefore the finding is closed.

**NIR 28 Dated 10 Aug 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7; S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

The audit team understands that the production approach has been used to calculate market leakage, as reported in Section 3.2.4.7 of the PD and Section 3.2.2.4 of the MR. A leakage percent value of 0.5% is reported in both locations. However, discussion with project personnel suggests that the value of 0.5% may have been a "placeholder" value that needs to be updated with actual calculations. Please provide documentation of the calculated market leakage value.
**Project Personnel Response**: We have completed the leakage analysis and provided the worksheet showing the calculation of the market leakage rate in accordance with the VCS tool noted in the finding. We have provided these calculations to the auditor along with the responses to these findings and updated the PD and MR accordingly.

**Auditor Response**: Through review of Section 3.2.3.4 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that a project-specific calculation for market leakage has been carried out, as documented in the workbook "SCRP_JNR Leakage Tool v10_v2". Therefore, the information request has been satisfied. However, please note that discrepancies regarding the calculation of market leakage have been addressed in the newly added NCR 66.

**NCR 29 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Sections 2.3 and 9.3
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7
**Finding**: Section 2.3 of the methodology requires the following: “For validation and verification purposes, the project proponent must document the project design and calculated NERs using the Project Description Requirements (PD Requirements) and the Monitoring Requirements. Demonstration of these requirements may be presented in a document(s) referenced from the PD or monitoring reports, or in the PD or monitoring reports themselves.” Section 9.3 of the methodology requires the following: "In the case when ex-ante estimates are used to prove the significance of emissions sources or estimate the quantity of NERs over the project crediting period, the project description must include the following... Summary of sampling procedures for the project accounting areas, with a copy of a sampling protocol used to carry out measurements."

Section 8.2.2.1 of the PD references the document "Standard Operating Procedure Cardamoms - Forest Inventory v1_20170112" in two locations. This is understood by the audit team to be an out-dated reference. While it is acceptable (per the methodology) to reference external documentation in order to satisfy PD requirements, the document reference must be correctly provided.
**Project Personnel Response**: The file reference in the PD for the biomass sampling SOP has been updated to the correct filename. Please see the revised version of the PD provided to the audit team along with the responses to these findings.
**Auditor Response**: The reference has been changed in Section 3.2.2.1 (twice) to reference the current version of the SOP, as follows “‘Standard Operating Procedure Cardamoms - Forest Inventory v2_20180628”. The finding is closed.

**NCR 30 Dated 10 Aug 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 08 - Standard Operating Procedure Cardamoms - Proxy Area v1.1_20170525
**Finding**: This is a copy of NCR 1, which pertained specifically to the Standard Operating Procedure (SOP) for the project accounting area. This finding pertains to the SOP for the proxy areas.

The VCS Standard Section 3.1.1 states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 Minimizing Uncertainty and Collecting Consistent Data states "To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods."

While the audit team noted that the SOP for the proxy area was comprehensively written, one internal inconsistency was noted. Section 7.2.6.5 (pg. 11) states "Butt swell or buttress at least 1 m tall. Measure diameter 0.4 m above the swelling (Figure A3)." The Figure A3 caption (pg. 16) states (and the figure depicts), "Butt swell or buttress that is 1 m tall or taller. Measure diameter 0.3 m (30 cm) above the swelling."

**Project Personnel Response**: The Proxy Area sampling SOP has been revised to correct this inconsistency inline with the correction made to the biomass sampling SOP. Please see the revised Proxy Area SOP provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team confirmed that the revised SOPs for Proxy Areas, a document entitled "Standard Operating Procedure Cardamoms - Proxy Area v1.2_20180905", has been revised as stated. The finding is closed.

**NCR 31 Dated 10 Aug 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 08 - Standard Operating Procedure Cardamoms - Proxy Area v1.1_20170525
**Finding**: This is a copy of NCR 3, which pertained specifically to the Standard Operating Procedure for the project accounting area. This finding pertains to the SOP for the proxy areas.

The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

Section 7.2.7 of the SOP states: “Mark the point on each tree trunk where diameter is measured. If plots are to be not obvious, the marking can be made with paint of a color similar to the color of the bark of the tree, and can be only a horizontal stripe facing slope center. Alternatively, at the point where diameter is measured, nail a permanent tree tag containing the tree number. If using nails, diameter is measured immediately above the nail.”

During the site visit, the audit team witnessed that tree tags were consistently used to mark trees measured in each plot. However, the location of the tree tag was not consistently where the diameter measurement was taken. The audit team witnessed this leading to confusion by the inventory team regarding where to measure diameter. As currently written, the SOP does not reflect the methods used for tree tags for the project and may not ensure consistent carbon stock estimation across measurement periods.

**Project Personnel Response**: We have revised the Proxy Area sampling SOP to include the same instructions as those included in the biomass sampling SOP to not assume that the tree tag was placed at the correct measurement point for the diameter. Please see this instruction added in section 7.2.9. in the revised Proxy Area sampling SOP provided along with the responses to these findings.
**Auditor Response**: The audit team confirmed that the revised SOPs for Proxy Areas, a document entitled “Standard Operating Procedure Cardamoms - Proxy Area v1.2_20180905”, Section 7.2.9 has been revised as stated. The finding is closed.

**NCR 32 Dated 10 Aug 2018**
**Standard Reference**: Section 3.1.1 and 2.4.1 of the VCS Standard v 3.7; VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0
**Document Reference**: Annex 08 - Standard Operating Procedure Cardamoms - Proxy Area v1.1_20170525
**Finding**: This is a copy of NCR 4, which pertained specifically to the Standard Operating Procedure for the project accounting area. This finding pertains to the SOP for the proxy areas.

The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The VM0009 methodology Section B.5 states “To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods.”

While on the site visit, the audit team witnessed that the biomass inventory teams carried pgs 15-21 of the SOP (called Annex A) to the field. Annex A was used as a reference when certain ‘irregular’ or oddly shaped trees were encountered. It was verified by the team leader that Annex A was the only portion of the SOP carried by the biomass teams to the field. Annex A contains most, but not all prescriptive rules for the measurement of trees.

**Project Personnel Response**: This was an error in the training of the plot sampling team. Before any new carbon measurement is undertaken a retraining of the plot team will occur, including instruction that the entire SOP, in the complete form, will be carried at all times by each sampling team for the appropriate carbon pool sampling being undertaken. Additionally, the SOP has been revised in section 4 to make it clear that the full SOP document must be carried at all times. Please see the equipment list in section 4 and the added section 4.7 in the revised Proxy Area sampling SOP, provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team confirmed that the revised SOPs for Proxy Areas, a document entitled “Standard Operating Procedure Cardamoms - Proxy Area v1.2_20180905”, Section 4 and 4.7, has been revised as stated. The finding is closed.

**NCR 33 Dated 10 Aug 2018**
**Standard Reference**: VM0009 Methodology for Avoided Ecosystem Conversion, v.3.0, Section 5.2
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Section 2.1.15; S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 2.1.6
**Finding**: PDR.7 requires that the PD include "The project crediting period start date and length." MR.2 requires that the monitoring report include "The project crediting period start date, end date and length."
The PD and the MR both contain the following language in Sections 2.1.15 and 2.1.6, respectively: "The project lifetime will be 30 years commencing from the Project start date of 01 January 2015 and an end date of 01 January 2044. The GHG accounting period will be the same 30 years as the lifetime of the project." While this clearly indicates the start date, end date and length of the GHG accounting period, the start date, end date and length of the project crediting period is not stated, and neither is it clarified that the GHG accounting period and project crediting period are equal.
**Project Personnel Response**: The PD and the MR have been revised to make the Project's crediting period more clear. Please see the revised versions of the PD and MR provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Sections 2.1.5 and 2.1.16 of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9") and MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9"), respectively, the audit team can confirm that the required information is now provided specifically for the crediting period. Therefore, the non-conformity has been resolved. However, note the issues identified in NCR 12.

**NCR 34 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.1
**Finding**: MR.12 requires that each MR include the following: "Calculations of cumulative baseline emissions for each selected pool... and undecayed carbon... as of the current monitoring period." The MR states the following in response to this requirement: "Cumulative emissions for each pool are listed in the MoE, 2016 UNFCCC document, available to the auditor upon request." The audit team has identified the following issues with this text:

1) A complete reference to the "MoE, 2016 UNFCCC document" that will allow for review by a reader of the document other than the auditor has not been provided.
2) To the best knowledge of the audit team, the referenced MoE, 2016 UNFCCC document does not actually contain the calculations required by MR.12, in respect of the specific project under review. Rather, they contain global calculations applicable to the entire country of Cambodia. As with any other monitoring requirement, MR.12 should be understood to be requesting information regarding the specific project for which the monitoring report has been produced.
3) Even with the use of the jurisdictional baseline, it appears to the auditor that it should be possible to separately quantify the separate variables referenced in MR.12 and to then calculate the arithmetic sum of the calculating values, following Equation F.15, to calculate the cumulative baseline emissions. Therefore, the use of the jurisdictional baseline does not supersede Equation F.15, and neither does it supersede MR.12.
**Project Personnel Response**: The Document “Initial Forest Reference Level for Cambodia under the UNFCCC Framework” dated May 22, 2017 has been provided to the auditor. However, this version of the document is not yet public, and remains property of the RGC. A public reference to a previous version of the document dated July 22, 2016 is however publicly available at the UNFCCC REDD+ Web Platform https://redd.unfccc.int/submissions.html?country=khm.

In reference to the request by the audit team to produce baseline emissions by carbon pool from the May, 2017 document, we have attempted to do so, although the methods used by the RCG to develop their national FREL were developed independently from the SCRP. Because the national FREL is linear, we can calculate corresponding yearly historical deforestation rate and hence yearly historical emissions. We are then able to arrive at a result for equation [F.15], “baseline emissions for the current monitoring period”. As this is the first monitoring period, baseline emissions for the current monitoring period are equal to cumulative baseline emissions. The aforementioned calculations have been added to section 3.2.1 of the monitoring report.

**Auditor Response**: The audit team reviewed the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", to see whether the finding could be closed. The audit team's feedback regarding the response to each item issue raised in the text of the finding is as follows:

1. A complete reference to the "MoE, 2016 UNFCCC document" has been provided in a "References" section that has been added towards the end of the MR.
2. The additional project-specific information provided in Section 3.2.1.1 of the MR is sufficient to address the requirement.
3. The audit team appreciates the detailed breakdown of baseline emissions for each selected pool, as provided in Section 3.2.1. It is clear that aboveground and belowground biomass, together, constitute a single "pool" as referenced by Monitoring Report 12.

Therefore, the finding can be closed.

**NCR 35 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.1.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.1.1
**Finding**: MR.13 requires that each MR include the following: "Calculations of cumulative baseline emissions from biomass... for the current monitoring period". The MR states the following in response to this requirement: "As this is the first monitoring period, cumulative baseline emissions are equal to current baseline emissions for the current monitoring period." The audit team agrees that, as calculated following the equation in Section 3.2.1.1 of the MR, the cumulative baseline emissions from biomass are equal to the values provided in Section 7 of the MR. However, the equation in Section 3.2.1.1 of the MR is not consistent with the quantification framework of the methodology, because the methodology separates "baseline emissions from biomass", which applies solely to aboveground biomass, from "cumulative emissions from BGB", which applies solely to belowground biomass. While the audit team understands that the specific calculation frameworks for quantifying these variables (in Equations F.19-F.22, and F.32, respectively) are superseded through use of the jurisdictional baseline. However, use of the jurisdictional baseline does not supersede the identities of these variables as unique and separate, following the logic expressed in item (3) of NCR 34. Therefore, as stated, the equation in Section 3.2.1.1 is inconsistent with the methodology (in that the equation combines above-ground and below-ground biomass), and the understanding that cumulative baseline emissions from biomass are equal to current baseline emissions is likewise inconsistent with the methodology.
**Project Personnel Response**: MRR.13 requires "Calculations of cumulative Baseline Emissions from biomass E_(B BM)^[m]  for the current monitoring period." The term E_(B BM)^[m]  is calculated in equation [F.16]:

E_B^[m] =E_(B BM)^[m] +E_(B SOC)^[m] -C_(B SOC)^[m] -C_(B BGB)^[m] -C_(B DW)^[m] -C_(B WP)^[m]

The auditor's statement:

"'baseline emissions from biomass" in the methodology is specifically defined as applying to aboveground biomass only; this term is not inclusive of belowground biomass'

is presumed incorrect; from what we can surmise, it assumes that E_(B BM)^[m]  is calculated using only aboveground biomass - and not BGB - due to the presence of the C_(B BGB)^[m]  term in the same equation. However, E_(B BM)^[m]  includes both AGB and BGB (i.e. total biomass). The subtraction of the C_(B BGB)^[m]  term refers to "Carbon not decayed in BGB at the end of the current monitoring period" from the sum of total biomass + soil organic carbon, which is only applicable to the decay model for BGB. The Verra comminuque referenced in other findings indicated that this decay model is superseded by the national FREL and we make the assumption that by logical extension, so are the other terms that refer to a temporal decay model (C_(B SOC)^[m] ,C_(B DW)^[m]  and C_(B WP)^[m] ). Equation [F.16] can therefore be distilled down to an equation that calculates total biomass + soil organic carbon from which we need to subtract all biomass not yet decayed (i.e. we add decayed biomass) according to the decay models, which are all superseded, so are essentially not applicable. We are left with only the sum of total biomass + soil organic carbon, and soil organic carbon is a conservatively omitted carbon pool. We therefore arrive at only E_(B BM)^[m] , which represents total biomass (AGB + BGB).

We have included the execution of the equation for "Quantifying Baseline Emissions" from section 3.2.4.3 in section 3.2.1.1 of the MR. Note that this equation supersedes equations F.19 – F.22, as acknowledged by the auditor, due to the adherence to the national FREL.

**Auditor Response**: While the statement that “The term E_(B BM)^[m] Is calculated in equation [F.16]” does not seem to be exactly true (it seems that the variable E(B BM) is calculated in actually calculated in Equation F.22), the overall point is well taken. The logic of Equation F.16 makes sense if we understand that E(B BM) is inclusive of belowground biomass, and that the value of the variable C(B BGB) is then subtracted from this quantity to account for non-decayed belowground biomass. In addition, the definition of the variable C(B BM) (which is an input to the calculation of the variable E(B BM) in Equation F.22) in Equation F.18 is “Baseline scenario average carbon stock in selected carbon pools from AGMT, AGOT, AGNT, BGMT, BGOT and BGNT”. This clarifies that belowground biomass (in this case, the carbon pools BGNT and BGOT) is included in the calculation in Equation F.18 and, by logical extension, belowground biomass is also included in the calculation in Equation F.22. Furthermore, it is correct to state that the term C(B BGB) can be excluded from the calculation in Equation F.16 due to the jurisdictional baseline having superseded the decay emissions model, and the other terms can likewise be excluded for the reasons stated. Therefore, upon additional investigation, the audit team has come to the conclusion that the “nonconformity” identified in this finding is not actually a non-conformity after all. The finding will be withdrawn, with apologies from the audit team.

**NCR 36 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 2.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7
**Finding**: Section 2.3 of the methodology requires the following: “For validation and verification purposes, the project proponent must document the project design and calculated NERs using the Project Description Requirements (PD Requirements) and the Monitoring Requirements. Demonstration of these requirements may be presented in a document(s) referenced from the PD or monitoring reports, or in the PD or monitoring reports themselves.” Most (if not all) monitoring requirements are preceded by the words "The monitoring report must include the following". The methodology does not make any provision of monitoring requirements to be omitted in the event that they are deemed inapplicable by the preparer of the monitoring report.

There are many monitoring requirements that have been omittted entirely from the MR. In some cases, these requirements may be disregareded because they have been superseded through use of the jurisdictional baseline, and the audit team agrees that it is not necessary to include such requirements in the MR. However, there are other cases where requirements have been omitted, apparently because the preparer(s) of the monitoring report concluded that they were not applicable. While the audit team agrees that some of these requirements are not applicable, this does not modify the requirement to include them in the MR (and directly state the reason for their non-applicability) nonetheless.

As an example, MR.32 requires "A map of the boundaries of any significant disturbance in the project accounting areas during the monitoring period" and MR.33 requires "Evidence that plots were installed into these disturbed areas and were measured per section 9". These monitoring requirements are not directly addressed in the MR. Presumably, the reason that these requirements are not addressed is that no significant disturbances occurred during the monitoring period. However, when the requirements are not included, it is unclear to the reader whether they were deemed inapplicable by the preparer(s) of the monitoring report or omitted by accident.

As another example, monitoring requirements MR.45-MR.47 are missing from the MR, for reasons that are unclear to the audit team.
**Project Personnel Response**: We have added in the referenced MRRs to the MR document and noted that they are not applicable to the project. Please see the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", to see whether the finding could be closed. It appears that all Monitoring Requirements other than those which are clearly inapplicable (as discussed in the text of the finding) are now included in the MR. Therefore, the non-conformity has been resolved.

**NCR 37 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.3.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.1.1
**Finding**: MR.44 requires that each MR include the following: "A description of project activities that have been implemented since the project start date and the estimated effects of these activities on leakage mitigation." A description of project activities that have been implemented since the project start date is provided in Section 4.3 of the MR (as referenced from Section 3.2.4.1 of the MR via Section 2.1.1 of the MR). However, the estimated effects of the activities on leakage mitigation have not been described in the MR. Section 3.2.4.1 states the following: "Activities were designed to mitigate deforestation and human-wildlife conflict as well as to enhance livelihoods throughout the Project Zone. They therefore by design serve to mitigate leakage and uphold project permanence." This serves as a discussion of how the project activities were intended to mitigate leakage. However, it does not provide specific information regarding the estimated effects of the project activities on leakage mitigation.
**Project Personnel Response**: We have revised the text provided in response to MRR.44 to more clearly outline where and how this requirement is met. This section now references section 4.3.1.1., where the full implementation status of each project activity is described, including monitored values of the success for each Project Activity. This includes funds spent, numbers trained or other relevant statistics for the specific Project Activity. This is in line with the guidance in VM0009 for MRR.44 on page 105 of the methodology. Please see the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised MR. Section 4.3.1.1 of the MR now includes detailed information about each project activity and implementation status, as stated. The audit team reviewed Section 8.3.1 leakage mitigation strategies, of VM0009. The audit team agrees that the added information fulfills the MR requirement. The finding is closed.

**NCR 38 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.3.2.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.4.3.2
**Finding**: MR.56 requires that each MR include the following: "The estimated value [of the proportion of leakage due to degradation]… for the current monitoring period and supporting calculations". The estimated value is reported as 0.94 in Section 3.2.4.3.2 of the MR. However, supporting calculations for this value have not been provided in the MR or any documents referenced therein.
**Project Personnel Response**: The calculation of the referenced value is done using the field data collected in the leakage area and the project area. The calculations have been provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of the provided workbook "Leakage results m=0", the audit team can confirm that it substantiates the reported proportion of degradation (0.94). The information request has been satisfied.

**NCR 39 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.3.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.4.4
**Finding**: While Section 3.2.4.4 of the MR provides a description of the general approach quantifying market leakage, not all of the requirements of monitoring requirements MR.60 and MR.61 have been addressed in the MR. Please note the following:

1) MR.60 requires inclusion of "The selected approach to determining emissions from market leakage". The approach to determining emissions from market leakage is not specifically identified.
2) MR.61 requires reporting of the "Estimated cumulative emissions from market leakage for the current monitoring period... and supporting calculations". As can be confirmed through reference to Appendix H of the methodology, the variable that is required to be reported is in units of tCO2e. The value reported in Section 3.2.4.4 of the MR is expressed as a percentage.
3) Supporting calculations for the estimated cumulative emissions from market leakage for the current monitoring period have not been provided, either in the MR or in a document referenced therein.
**Project Personnel Response**: The MR has been updated to include MR.60 and MR.61 and the required information as noted in the finding. Please see the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", to see whether the finding could be closed. The audit team's feedback regarding the response to each item issue raised in the text of the finding is as follows:

1) A detailed description of "The selected approach to determining emissions from market leakage" has been provided in Section 3.2.3.4. Therefore, the requirements of MR.60 have been satisfied.
2) The market leakage rate is provided in units of tCO2e. Therefore, the requirements of MR.61 have been satisfied.
3) However, supporting calculations for the estimated cumulative emissions from market leakage for the current monitoring period have still not been provided, either in the MR or in a document referenced therein.

Because the request for "supporting calculations" has not been satisfied, the non-conformity has not been fully resolved.
**Project Personnel Response 2**: We have added the required reference to the documents where the calculation was performed.
**Auditor Response 2**: Through review of the revised monitoring report, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10", the audit team can confirm that a description of the selected approach has been more fully provided in Section 3.2.3.4, and the document "'Annex 15 – SCRP Market Leakage Tool v3.xlsx" is correctly referenced for supporting calculations. Therefore, the non-conformity has been resolved.

**NCR 40 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.3.3.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7
**Finding**: MR.63 requires that each MR include the following: "Provide location-by-location evidence that management plans and land-use designations of all areas under the project proponent's control within the country have not changed as a result of the project. For entities with a conservation mission, provide evidence of the organization's policy not to change the land use of other owned and managed lands, and evidence of compliance with such a policy." The MR does not provide the required information.
**Project Personnel Response**: We have included the required information in the MR. Please see MRR. 63 in section 3.2.3.4. in the revised MR provided to the audit team along with the responses to these findings.

**Auditor Response**: The audit team confirms that information has been provided in the revised MR to satisfy the requirements of MRR.63.

**NCR 41 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.4.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7
**Finding**: MR.65 requires that each MR include the following: "Quantified GERs for the current monitoring period including references to calculations." MR.67 requires that each MR include the following: "A graph of GERs by monitoring period for all monitoring periods to date." So far as the audit team can ascertain, no information responsive to these monitoring requirements is provided in the MR.
**Project Personnel Response**: We have revised the MR to include the MRRs 65-67. Please see MRRs. 65-67 in section 3.2.4.3.2. in the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that a reference to the supporting file including the calculations has been provided as "Cardamoms RL.xlsx" in Section 3.2.4.3.2. However, the audit team is unaware of such a file. The audit team has been provided with a file entitled "Cardamoms RL v10.xlsx". Given that the filename is the only identifying information provided regarding the referenced file in the MR, it is very important that the filename be given correctly.

A graph of GERs by monitoring period has been provided in the same section. However, given that the calculations have not been clearly referenced, the non-conformity has not been fully resolved.

**Project Personnel Response 2**: We have updated the MR to correct the file reference given.
**Auditor Response 2**: Through review of the revised monitoring report, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10", the audit team can confirm that the correct file is referenced in Section 3.2.4.3.2. Therefore, the non-conformity has been resolved.

**NCR 42 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.4.1
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.5.3.1
**Finding**: MR.69 requires that each MR include the following: "Reference to calculations used to determine the confidence deduction." While a reference to the calculations is provided, there appear to be some referencing errors in the underlying Word document that impede understanding of the information provided.
**Project Personnel Response**: The references have been fixed in the equation shown in MRR.69. Please see the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 3.2.4.3.1 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that the previously noted referencing errors have been corrected, such that MR.69 is complied with in full. Therefore, the non-conformity has been resolved.

**NCR 43 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 8.4.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.5.3.1
**Finding**: MR.76 requires that each MR include the following: "A graph of NERs by monitoring period for all monitoring periods to date." No such graph is provided in the MR. The MR provides the following justification for omission of a graph: "As this is the first monitoring period, this MRR does not apply." However, this requirement appears to still be applicable even for the first monitoring period.
**Project Personnel Response**: We have revised the MR to include a graph in MRR.76. Please see MRR.76 in section 3.2.4.3.4. in the revised MR provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 3.2.4.3.4 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that the required graph has been provided. Therefore, the non-conformity has been resolved.

**NCR 44 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 3.2.5.5
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.2.5.3.1
**Finding**: MR.82 requires that each MR include the following: "Quantified NERs by vintage year for the current monitoring period including references to calculations". The requested quantification is provided in Table 9 of the OPDR. However, a reference to the underlying calculations is not provided.
**Project Personnel Response**: We have provided more text to the MRR.82 to explain the quantification of NERs and a reference to Annex 12, the workbook where that calculation is made. However, as the audit team is aware, since the Project is utilizing the Cambodian FREL, there are no specific calculations to determine the NERs by vintage. This MRR.82 is based on the fact that the baseline model from VM0009, the BEM, calculates emissions on a cumulative basis, so the end result is a total for a monitoring period. Therefore, to determine the NERs by vintage for each year within the monitoring period (if it is greater than 1), the project proponent must proportion the emissions from a monitoring period total to each year within the period by the number of days in each year divided by the total number of days in the monitoring period. However, as the Cambodian FREL is presented in units of emissions per year, the calculation of the Projects avoided emissions for the monitoring period is already in annual vintages. Therefore, there are no calculations to convert the monitoring period total to annual vintages to reference.

**Auditor Response**: Through review of Section 3.2.4.5 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that the required quantification has been provided. The audit team agrees that no "back-calculation" is required to arrive at a yearly quantification of GHG emission reductions. Therefore, the non-conformity has been resolved.

**NCR 45 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7
**Finding**: MR.90 requires that each MR include the following: "Documentation of data quality assessment such as a check cruise and plots of the data such as diameter distributions by strata or plot." The requested information does not seem to be provided, either in the MR or any documents referenced therein.
**Project Personnel Response**: The results of the QAQC analysis was mistakenly omitted from the MR. We have revised the MR to include this information in response to MRR.90. Please refer to the updated MR that has been provided to the audit team with the responses to these findings. We have additionally provided the audit team with the carbon model and workbook of calculation with which the QAQC analysis was performed.
**Auditor Response**: Through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that a detailed description of the quality control program (including "blind" check plots and a statistical procedure to assess for differences) has been provided in Section 3.1.3. Therefore, the non-conformity has been resolved.

**NCR 46 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.1.3
**Finding**: MR.91 requires that each MR include the following: "Maps of a stratification (if any) and references to plot allocation." The MR states, "Please refer to Appendix A for maps of the Project Area stratification, the biomass sample plot locations and the soil plot locations." However, it is unclear which map(s) in Appendix A constitute a map of the stratification. In addition, a map of biomass sample plot locations is not provided in Appendix A.
**Project Personnel Response**: The map references for MR.91 have been updated to reference the required maps.
**Auditor Response**: Through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm that the reference to the map of strata in Section 3.1.3 has been corrected to Figure 2. However, the audit team notes that Figure 2 shows a small amount of area in the project as being mapped in the "Semi evergreen forest" stratum. This stratum is not mentioned elsewhere in the project documentation (see, for example, Table 15 of the PD). Therefore, the referenced map does not seem to utilize the same system of stratification utilized elsewhere.

A map of biomass plot locations has been provided in Section 3.2.2.1. However, because of the discrepancy described above regarding the strata map, the non-conformity has not been fully resolved.

**NCR 47 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.1.3
**Finding**: MR.92 requires that each MR include the following: "List of plot GPS coordinates." MR.98 requires that each MR include the following: "The frequency of monitoring for each plot for all plots..." The responses to both of these requirements reference the "Climate Monitoring Plan" and refer to it as "Annex 5". However, the version of the Climate Monitoring Plan provided to the audit team is entitled "Annex 03 - SCRP Climate Monitoring Plan v1.0" and is thus labeled Annex 3. In addition, the Climate Monitoring Plan is referred to as Annex 3 elsewhere in the MR. Therefore, a clear reference to the Climate Monitoring Plan has not been provided in response to the MRs in question.
**Project Personnel Response**: We have updated the MR to change all references to the climate monitoring plan refer to Annex 03, which is the correct reference. Please refer to the updated MR that has been provided to the audit team with the responses to these findings.
**Auditor Response**: Through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm the Climate Monitoring Plan is consistently referred to as Annex 3. Therefore, the non-conformity has been resolved.

**NIR 48 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.1.3; Annex 12 - Cardamoms RL v6
**Finding**: MR.95 requires that each MR include the following: "The estimated carbon stock, standard error of the total for each stock, and the sample size for each stratum in the area selected." In response to this requirement, the MR states the following: "Please refer to Annex 12 – SCRP PAA NER Worksheet." From review of Annex 12, the audit team can see where the carbon stock estimates in each stratum are located. However, it is unclear to the audit team where the standard error of the total and sample size for each stratum are provided in this workbook. Please clarify where this information is provided in Annex 12.
**Project Personnel Response**: MRR. 95 was revised to include the information required by the MRR and stated in the above finding. Please see the updated MR provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9", the audit team can confirm Table 8 contains the estimated carbon stock, standard error of the total for each stock, and the sample size for each stratum. Therefore, the non-conformity has been resolved.

**NCR 49 Dated 10 Aug 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Section 3.2.4
**Finding**: The VCS Standard, Section 3.19.1 states, “The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template.“ In addition, the VCS Standard, Section 3.16.6, states “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The instructions for Section 3.2.4 of the CCB & VCS Project Description Template require the following: "For AFOLU projects, include equations for the quantification of net change in carbon stocks." Equations for the net change in carbon stocks are not explicitly provided in Section 3.2.4 of the PD.
**Project Personnel Response**: Sub-Section 3.2.4.1 has been added to section 3.2.4 including equation 17 for the calculation of the carbon stock. As this is a REDD+ project, the carbon stock in the Project Area is assumed to not change significantly between monitoring events. Therefore, the methodology VM0009 v3 does not include any equations to specifically quantify a change in carbon stocks over time, but rather just calculates the current carbon stock at each monitoring event using equation 17.
**Auditor Response**: In the language of the CCB & VCS Project Description Template, the "net change in carbon stocks" is equal to the change in carbon stock in the baseline scenario in the project area minus the change in carbon stock in the project scenario in the project area, and this is the quantity that is multiplied by the risk score to determine the number of buffer credits issued (see Section 4.7 of the AFOLU Requirements for further information on this). The quantification of this value is not provided in Section 3.2.4 of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9".
**Project Personnel Response 2**: Equation [F.15] from the methodology VM0009 has been included in section 3.2.4.3 of the PD. This equation calculates net change in carbon stocks by subtracting those in the previous monitoring period from the current one. The results from [F.15] are then multiplied by the risk score to determine risk of reversal buffer contribution in the VCS AFOLU Tool for Non-Permanence Risk and Buffer Determination.
**Auditor Response 2**: The audit team can confirm that the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.11", correctly describes Equation F.15 as calculating the net change in carbon stock and presents the calculation of Equation F.15. The non-conformity has been resolved.

**NCR 50 Dated 10 Aug 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Section 3.2.4
**Finding**: The VCS Standard, Section 3.19.1 states, “The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template.“ In addition, the VCS Standard, Section 3.16.6, states “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The instructions for Section 3.2.4 of the CCB & VCS Project Description Template require the following: "Document how each equation is applied, in a manner that enables the reader to reproduce the calculation. Provide example calculations for all key equations, to allow the reader to reproduce the calculation of estimated net GHG emission reductions or removals." While some documentation regarding the equations is provided, it does not seem that the level of documentation is always sufficient to allow the reader to reproduce the equation. Example calculations, as required by the Template, do not seem to be provided.
**Project Personnel Response**: We have revised section 3.2.4 of the PD to provide documentation of the process used to calculate the net GHG emission reductions. All equations used are now included in the order in which they are applied. The values for all of the parameters included in these equations are included in the sections 3.3.1 and 3.3.2. Please see the revises version of the PD provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 3.2.4 of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9", the audit team can confirm that documentation of how each equation is applied, in a manner that enables the reader to reproduce the calculation, is provided. However, the audit team is unable to locate any example calculations for key equations. Therefore, the non-conformity has not been fully resolved.
**Project Personnel Response 2**: Example calculations have been inserted into the PD section 3.2.4, which contains key equations for calculating net emission reductions and removals. The decision for which equations are “key” are left open to interpretation by the authors. In our opinion, this incudes the calculation of cumulative baseline emissions [F.16], baseline emissions for the current monitoring period [F.15], uncertainty deduction [F.57], gross emission reductions [F.43] and [F.54] and Net emission reductions [F.55] and [F.56].
**Auditor Response 2**: The audit team can confirm that the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.11", now contains example calculations for key equations. The audit team agrees with the logic presented in the finding response. The non-conformity has been resolved.

**NCR 51 Dated 10 Aug 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Section 3.3.1; S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.1.1
**Finding**: The VCS Standard, Section 3.19.1 states, “The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template.“ In addition, the VCS Standard, Section 3.16.6, states “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The instructions for Section 3.3.1 of the CCB & VCS Project Description Template require the following: "Complete the table below for all data and parameters that are determined or available at validation, and remain fixed throughout the project crediting period (copy the table as necessary for each data/parameter)." The same requirements are included in Section 3.1.1 of the CCB & VCS Monitoring Report Template. The referenced table provides prescriptive requirements that are not always adhered to in the data and parameters that are "used", as reported in Section 3.3.1 of the PD and 3.1.1 of the MR. For example, for the variable described as "Area of Project Accounting Area", the table in Section 3.3.1 of the template requires that "Where values are based on measurement, include a description of the measurement methods and procedures applied (e.g., what standards or protocols have been followed), indicate the responsible person/entity that undertook the measurement, the date of the measurement and the measurement results." The required information is not provided.

Note that, in the understanding of the audit team, it is not required to provide the documentation required under Section 3.3.1 for parameters that are not used.
**Project Personnel Response**: We have revised section 3.3.1 of the PD and section 3.1.1 to include this required information. Please view the updated PD and MR versions provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 3.3.1 of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9") and Section 3.1.1 of the revised MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9"), the audit team can confirm that the required information has been added. Therefore, the non-conformity has been resolved.

**NCR 52 Dated 10 Aug 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Section 3.3.2; S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7, Section 3.1.2
**Finding**: The VCS Standard, Section 3.19.1 states, "The project description describes the project's GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template." In addition, the VCS Standard, Section 3.16.6, states "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template."

The instructions for Section 3.3.1 of the CCB & VCS Project Description Template require the following: "Complete the table below for all data and parameters that are determined or available at validation, and remain fixed throughout the project crediting period (copy the table as necessary for each data/parameter)." The same requirements are included in Section 3.1.1 of the CCB & VCS Monitoring Report Template. The referenced table provides prescriptive requirements that are not always adhered to in the data and parameters that are "used", as reported in Section 3.3.2 of the PD and 3.1.2 of the MR. For example, for the variable described as "Area of Project Accounting Area stratum 1 prior to first verification event – Evergreen Forest", the table in Section 3.3.2 of the template requires the following: "Specify the measurement methods and procedures, any standards or protocols to be followed, and the person/entity responsible for the measurement." The required information is not provided.

In addition, the monitoring requirements MR.85-MR.87 of the methodology require information that is not provided for most, if not all, data and parameters monitored.

Note that, in the understanding of the audit team, it is not required to provide the documentation required under Section 3.3.2 for parameters that are not used.
**Project Personnel Response**: We have revised section 3.3.2 of the PD and section 3.1.2 to include this required information. This added text will also serve to satisfy the requirements of MRR.85-87. Please view the updated PD and MR versions provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 3.3.1 of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9") and Section 3.1.1 of the revised MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9"), the audit team can confirm that much of the required information has been added. However, one issue that the audit team has identified is that the data and parameters used in the calculation of market leakage (which are all monitored data and parameters) have not been included in the PD and MR. Therefore, the non-conformity has not been fully resolved.
**Project Personnel Response 2**: We have revised the PD and MR to include the data and parameters utilized in the leakage tool.
**Auditor Response 2**: Through review of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.11") and MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10"), the audit team has confirmed that the required information has been duly provided. The non-conformity has been resolved.

**NIR 53 Dated 10 Aug 2018**
**Standard Reference**: VM0009, V3.0, Section 7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, Sections 2.1.11 and 3.1.5
**Finding**: The methodology requires that "Project proponents must demonstrate additionality using the latest version of the VCS Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities [VT0001]". VT0001 requires that "If the VCS AFOLU project generates no financial or economic benefits other than VCS related income, then apply the simple cost analysis (Option I). Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III)." The PD states that "The SCRP, a VCS AFOLU project, generates no financial or economic benefits other than VCS-related income derived from the sale of carbon credits. Therefore, simple cost analysis (Option I) applies." However, the PD also indicates, in Section 2.1.11, that "Community-based Eco-Tourism Development" is a project activity. If financial benefits from such eco-tourism will under no circumstances accrue to the project (i.e., to the project proponent or implementing partners), then the audit team agrees that simple cost analysis applies. If simple cost analysis is to be applied, then please provide evidence of this.
**Project Personnel Response**: One of the Project Activities detailed in the PD and the MR is an Eco-Tourism project, which does in fact generate net income as a result of the operation of the activities. However, as was discussed with the audit team during the field visit, the Eco-Tourism project has been handed over to the community, and the community has full operational control of the Eco-Tourism facility, and all proceeds from its operation flow directly to this community. No proceeds or funds of any kind generated in this Project Activity from the operation of the Eco-Tourism facility accrue to the Project at large, or the Project Proponent (RGC MOE), or the implementing partners (WA and WWC). The Project's role in this Project Activity was limited to supporting the implementation of the Eco-Tourism facility, and on-going logistical and marketing support to ensure its success. All funds accrue solely to the community. Therefore, the simple cost analysis is the appropriate option to be used in the VCS additionality tool.

**Auditor Response**: The audit team confirms the understanding that the ecotourism revenues go solely to the community. During the site visit the lead auditor attended a meeting attended by community member recipients of ecotourism dollars in Chi Phat. The audit team has reasonable assurance based on what was heard during the meeting that ecotourism revenues go wholly to the communities.

**NCR 54 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template, Section 2.1.1. Summary Description of the Project states "Provide a summary description of the project to enable an understanding of the nature of the project and its implementation, including the following (no more than one page): … • An estimate of annual average and total GHG emission reductions and removals."

Section 2.1 of the project's PD states "The Project's climate benefits include the avoided emission of approximately 10 million t CO2e over the lifetime of the Project, and 40 million t CO2e during this first monitoring period." As the referenced monitoring period covers three years, the template requirement is not met.

**Project Personnel Response**: The PD has been updated to correct this issue. Please see the updated version of the PD that has been provided to the audit team with these findings.
**Auditor Response**: The audit team reviewed the revised Section 2.1.1 of the PD and confirmed that the information was added appropriately. The finding is closed.

**NCR 55 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**:
The referenced PD template, Section 2.1.5 Physical Parameters, states: “Provide a summary description of the basic physical parameters of the project. These may include, but are not limited to, the following: • Types of vegetation (providing, at minimum, estimates of the area of land under different management types).”

Section 2.5 of the project’s PD provides a detailed description of the project’s vegetation types but does not currently provide estimates of the area of land under different management types.

**Project Personnel Response**: We have revised section 2.1.5 to include this required information. Please see the updated version of the PD that has been provided to the audit team with these findings.
**Auditor Response**: The audit team reviewed the revised PD, and confirms that section 2.1.5 was revised as stated. The finding is closed.

**NCR 56 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced VCS PD template Section 2.1.11 Project Activities and Theory of Change (G1.8), states “Provide a summary description of each project activity (including the technologies or measures employed) and the expected output, outcomes and impacts using a theory of change to explain how the activities will achieve the project’s predicted climate, community, and biodiversity benefits. Provide a detailed description of the GHG emission reduction or removal activities, including: • In the description of the project activity, state if the project is located within a jurisdiction covered by a jurisdictional REDD+ program.”

Section 2.1.11 of the project’s PD currently does not provide the information referenced above.

**Project Personnel Response**: Section 2.1.11 of the PD has been updated to state that all Project Activities stated are located in a jurisdiction in which a jurisdictional REDD+ progamme is being implemented. Please see the updated version of the PD that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9", the audit team can confirm that it is clarified in Section 2.1.11 that the project is located within a jurisdiction (the Kingdom of Cambodia) covered by a jurisdictional REDD+ program. Therefore, the non-conformity has been resolved.

**NIR 57 Dated 10 Aug 2018**
**Standard Reference**: AFOLU Requirements Section 3.2.1
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7
**Finding**: The initiation of project activities to denote a project start date is permitted by Section 3.2.1 of the AFOLU Requirements, which states the following: "As set out in the VCS Standard, the project start date of an AFOLU project shall be the date on which activities that lead to the generation of GHG emission reductions or removals are implemented. Such activities may include… implementing management or protection plans."

Section 2.1.14 of the PD states that "The project start date for the SCRP is 01 January 2015. Wildlife Alliance commenced REDD+ activities prior to this date. However, the SCRP elects to start the Project after the national FREL historic reference period end date to prepare for nesting into the national REDD+ Program (see Figure 4 below)."

Please submit documentary evidence of the project start date.

**Project Personnel Response**: We have already previously provided the RGC document "nitial Forest Reference Level for Cambodia under the UNFCCC Framework." This is the RGC's official submission to the UNFCCC documenting the technical development of the FREL for the national REDD+ programme. Section 4.4 of this document states the historical reference period used for the development of the FREL. We are providing this document again to the audit team along with our responses to these findings.
**Auditor Response**: Thank you for directing the audit team to Section 4.4 of the "Initial Forest Reference Level for Cambodia under the UNFCCC Framework" (July 2016). The audit team referenced that section, which states the following:

"The UNFCCC requires historical data to be taken into account for the construction of a FRL but does not specify the length of reference periods. In Cambodia, there is a continuing trend of rapid deforestation in recent years. Therefore the emissions from a recent period are expected to better reflect future emissions from deforestation in absence of REDD+. For this moment reliable and consistent historical activity data is only available from 2006 to 2014. Cambodia chose the years from 2006 to 2014 as historical period for initial FRL construction because of data availability and because Cambodia believes the recent data form a better approximation of deforestation rates in the near future in the absence of REDD+ implementation."

Given the above, the audit team concurs that the project start date of 1 January 2015 immediately follows the end of the historical reference period as identified above. Therefore, the information request has been satisfied.

**NCR 58 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template states in the instructions “All instructions, including this introductory text, must be deleted from the final document.”

The template table in Section 4.1.3 High Conservation Values (CM1.2), containing the instructions for filling out the table, is included.

**Project Personnel Response**: We have removed the table that contained the instructions from the PD. Please see the updated version of the PD that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 4.1.3 of the updated PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9", the audit team can confirm that the instructional text in questions has been removed. Therefore, the non-conformity has been resolved.

**NCR 59 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template, Section 5.2.1 of the Expected Biodiversity Changes (B2.1) states “Complete the table below to describe the anticipated changes in biodiversity resulting from project activities under the with-project scenario in the project zone and over the project lifetime. Explain and justify key assumptions, rationale and methodological choices. Provide all relevant references. Copy and paste the table as needed.”

The referenced current PD, in corresponding Section 5.2.1, does not include such tables.

**Project Personnel Response**: We have added the required tables to section 5.2.1 of the PD. Please see the updated version of the PD that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised Section 5.2.1 in the revised PD, and confirmed that the required tables were added. The finding is closed.

**NCR 60 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3, S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7
**Finding**: The referenced PD template, Section 5.2.9 Inputs Justification (B2.8), states "Complete the table below to describe the use of any fertilizers, chemical pesticides, biological control agents and other inputs used for the project. Copy and paste the table as needed."

The referenced current PD, in corresponding Section 5.2.9, does not include such tables. If no inputs are expected, please explicitly state as such. The same applies to the referenced Monitoring Report, section 5.1.8.

**Project Personnel Response**: The relevant sections of the MR and the PD have been updated to explicitly state that no inputs are being used for the project. Please see the updated version of the PD that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: Both Section 5.2.9 of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.9") and Section 5.1.8 of the revised MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9") explicitly affirm that none of the inputs that would trigger the need for information to be recorded in the boxes have been used for the project. Therefore, the non-conformity has been resolved.

**NCR 61 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template, Section 5.4.1, Biodiversity Monitoring Plan (B4.1, B4.2, GL1.4, GL3.4) states: "If the project intends to meet the Gold Level for climate change adaptation benefits (GL1), the community monitoring plan must also include indicators for adaptation benefits for biodiversity.
If the project intends to meet the Gold Level for exceptional biodiversity benefits (GL3), it must also include indicators of the population trend of each trigger species and/or the threats to such species."

The corresponding section 5.4.1 in the PD does not currently include the required information.

**Project Personnel Response**: As is noted in the CCB Standard for indicator GL3.4 in footnote 128 "Population status or even presence at the site may be hard to establish for some species that are threatened, rare or cryptic, for example. Evidence that threats to the species are being addressed may be used to demonstrate that species population status is likely to be maintained or enhanced as a result of project activities." As is outlined in this indicator the Project has elected to not include in the list of biodiversity impact assessment direct impact statistics of individual species population numbers or trends, but to instead focus on the primary threats to the species present in the Project Area. This includes indicators on the maintenance of the forest extent, illegal logging and other forms of deforestation and wildlife poaching. All of these are present in section 5.4.1 of the PD, and are more than sufficient to meet the requirements of CCB indicator GL3.4.
**Auditor Response**: The audit team agrees with the project's response. The finding is closed.

**NCR 62 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template, Section 5.4.2 Biodiversity Monitoring Plan Dissemination (B4.3), states as follows: "Describe how the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, will be disseminated and made publicly available on the internet. Describe the means by which summaries (at least) of the monitoring plan and results will be communicated to the communities and other stakeholders."

The corresponding section 5.4.2 is currently blank.

**Project Personnel Response**: Section 5.4.2 was left blank in error. We have added in the text for section 5.4.2. Please see the updated version of the PD that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: The audit team reviewed the revised PD, and confirmed that section 5.4.2 was added and that the information meets the relevant requirements.

**NIR 63 Dated 10 Aug 2018**
**Standard Reference**: VCS Standard v 3.7
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7
**Finding**: The VCS Standard requires that "The project description shall be accompanied by one or more of the following types of evidence establishing project ownership accorded to the project proponent(s)…" Section 2.1.1 of the PD states that "The 445,339 ha SCRP encompasses parts of Southern Cardamom National Park and Tatai Wildlife Sanctuary…", and it is suggested in Sections 2.1.18.3 and 2.4.1 that there are no portions of the project area that are not included in one of these officially designated areas. However, due-diligence checks by both the audit team and project personnel have revealed various areas in which the project area, as outlined in the "SCRP_project_area" shapefile, extends outside the southern boundary of the Tatai Wildlife Sanctuary, as described in Sub-Decree 80. Please provide evidence establishing project ownership accorded to the project proponent, in respect of the areas identified above.
**Project Personnel Response**: We have submitted the required project ownership documents to the audit team outside of this findings workbook.
**Auditor Response**: Based upon informal discussion with project personnel, the audit team was under the impression that the plan had been for the project area boundary to be revised to exclude any areas not explicit within the boundaries of either the Southern Cardamom National Park or the Tatai Wildlife Sanctuary. However, the response to the finding suggests that such areas are to be retained in the project area, and that it is the intent of project personnel to provide evidence of ownership for such areas. However, the referenced "required project ownership documents" have not been provided to the audit team. Therefore, the finding remains open.
**Project Personnel Response 2**: Some clarifications were provided to the audit team outside of this workbook.
**Auditor Response 2**: In response to this finding, it was indicated to the audit team that various corrections to the project boundary were undertaken, resulting in the revised project area shapefile "NEW_ProjectArea_Line". In addition, it was clarified to the audit team that one of the previously identified discrepant areas that was not within the boundary of either the Tatai Wildlife Sanctuary or the Southern Cardamom National Part was actually located within the Botum Sakor National Park, and evidence to support this claim was likewise provided in the form of the document "Royal Decree 1993 Declaration of Botum Sakor National Park". Therefore, the information request has been satisfied.

**NCR 64 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.7, CCB_VCS_Project_Description_Template_CCBv3.1_VCSv3.3
**Finding**: The referenced PD template, Section 2.5.9, states "Provide evidence of project ownership, in accordance with VCS specifications on project ownership."

Section 2.1.1 of the PD states that “The 445,339 ha SCRP encompasses parts of Southern Cardamom National Park and Tatai Wildlife Sanctuary…”, and it is suggested in Sections 2.1.18.3 and 2.4.1 that there are no portions of the project area that are not included in one of these officially designated areas. However, due-diligence checks by both the audit team and project personnel have revealed various areas in which the project area, as outlined in the “SCRP_project_area” shapefile, extends outside the southern boundary of the Tatai Wildlife Sanctuary, as described in Sub-Decree 80. Please provide evidence establishing project ownership accorded to the project proponent, in respect of the areas identified above.

**Project Personnel Response**: We have submitted the required project ownership documents to the audit team outside of this findings workbook.
**Auditor Response**: Based upon informal discussion with project personnel, the audit team was under the impression that the plan had been for the project area boundary to be revised to exclude any areas not explicit within the boundaries of either the Southern Cardamom National Park or the Tatai Wildlife Sanctuary. However, the response to the finding suggests that such areas are to be retained in the project area, and that it is the intent of project personnel to provide evidence of ownership for such areas. However, the referenced "required project ownership documents" have not been provided to the audit team. Furthermore, please note that Section 2.5.9 of the VCS Project Description Template requires that "evidence of project ownership" be provided within the PD itself, and that no such evidence has been provided. Therefore, the finding remains open.
**Project Personnel Response 2**: Some clarifications were provided to the audit team outside of this workbook.
**Auditor Response 2**: In response to this finding, it was indicated to the audit team that various corrections to the project boundary were undertaken, resulting in the revised project area shapefile "NEW_ProjectArea_Line". In addition, it was clarified to the audit team that one of the previously identified discrepant areas that was not within the boundary of either the Tatai Wildlife Sanctuary or the Southern Cardamom National Part was actually located within the Botum Sakor National Park, and evidence to support this claim was likewise provided. However, while evidence regarding project ownership were provided directly to the audit team, this evidence is not provided in the PD, as required by Section 2.5.9 of the Project Description Template. Therefore, the non-conformity has not been resolved.
**Project Personnel Response 3**: Section 2.5.9 was updated to state that the evidence of ownership for the Project Area comes from the Protected Area Law of 2008. The section now reads, "The SCRP accounting area (PAA), which will generate credits at the project start date, is State owned land, under the mandate of the Ministry of Environment (MOE) in accordance with the Protected Area Law of 2008." We additionally updated the verbiage in section 2.5.9 of the PD to more thoroughly indicate clear logic around land ownserhip / carbon rights.
**Auditor Response 3**: Through review of the revised PD, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.14", the audit team can confirm that the discussion regarding ownership in Section 2.5.9 has been significantly embellished, and now provides clear evidence as to the ownership rights that have been vested in the project proponent. The non-conformity has been resolved.

**NCR 65 Dated 10 Aug 2018**
**Standard Reference**:
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.7; CCB_VCS_Monitoring_Report_Template_CCBv3.0 _ VCSv3.4
**Finding**: Section 2.1 of the referenced MR template is listed as Project Description.

The corresponding section 2.1 in the project Monitoring Report is currently listed as “Agricultural Project Description”.

**Project Personnel Response**: We have submitted the required project ownership documents to the audit team outside of this findings workbook. Please see the updated version of the MR that has been provided to the audit team along with the responses to these findings.
**Auditor Response**: Through review of Section 2.1 of the revised MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9"), the audit team found that the title of Section 2.1 remains specified as "Agricultural Project Description". This is a non-conformity to the requirements of the CCB & VCS Monitoring Report Template because said template indicates that the title of Section 2.1 is "Project Description". The specific non-conformity is in the addition of the word "Agricultural". The non-conformity has not been resolved.
**Project Personnel Response 2**: We have revised this heading to state “Project Description.”
**Auditor Response 2**: Through review of the revised monitoring report, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.10", the audit team can confirm that the word "Agricultural" has been removed as indicated. Therefore, the non-conformity has been resolved.

**NCR 66 Dated 12 Oct 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.9
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

The audit team understands that the production approach has been used to calculate market leakage, as reported in Section 3.2.3.4 of the MR. A market leakage percent value of 0.0% is reported. In support of this calculation, the audit team was provided with the workbook "SCRP_JNR Leakage Tool v10_v2" which, as the audit team has been told, is based upon a spreadsheet that was used in development of the VCS Global Commodity Leakage Module: Production Approach ("the leakage module"). However, it appears that, at some point, the calculation approach in the spreadsheet diverged from the guidance of the leakage module, such that use of the spreadsheet has resulted in a series of non-conformities relative to the leakage module. It would be time-prohibitive to systematically identify all non-conformities, but a non-exhaustive list of issues identified by the audit team is given below.

1. Section 5.1 of the leakage module requires that "This analysis must be conducted for, at minimum, each relevant global commodity j associated with driving deforestation within the jurisdiction, identified using the procedures in the VCS JNR Leakage Tool." There is no limitation given regarding how many commodities must be included in the analysis; the user is required to include all commodities that are relevant global commodities (with "global commodity" being defined in the leakage module) that are associated with the baseline scenario in the project area. However, from review of worksheet "Crop Data" within the provided workbook, it appears that only the top three commodities have been selected, which appears to be consistent with the design of the spreadsheet.
2. Section 5.1.1 of the leakage module states that "Because land uses can overlap, the total proportion of deforestation across agricultural commodities may be more than the proportion of deforestation of relevant global commodities. Where crops overlap seasonally, it may be appropriate for the total value for the proportion of deforestation driven by all such crops to be greater than the proportion of deforestation driven by the production of relevant global commodities." However, the formula in cell C24 of worksheet "Leakage" within the provided workbook appears to induce an error message if a total area greater than 100% is entered.
3. Section 5.1.2 of the leakage module requires the following: "Where the jurisdictional baseline is developed using the historical annual average GHG emissions or removals (without modeled adjustments), estimate the commodity yields required to maintain existing production within the jurisdiction using either the historical annual average of commodity yields, or the historical trend in commodity yields (as set out in VCS JNR Leakage Tool)." Neither of the approaches has been utilized for the purpose of estimating baseline commodity yields. Rather, it appears that data for a single year (2012) has been sourced for this purpose from the report "Cambodian Agriculture in Transition: Opportunities and Risks", at least for rice and maize (the source of the data for pumpkin is unclear).
4. It appears that the calculations required under Section 5.2 of the leakage module are not carried out within the provided workbook.

**Project Personnel Response**: We have updated the referenced worksheet to clarify aspects of it and revise some sections that were not directly following the guidance of the VCS module VMD0037. These revisions resulted in the market leakage rate increasing from 0.0% to 0.189%. Additionally, we would like to note that the methodology VM0009 in section 8.3.3.4 states in regard to the use of the module VMD037 that “Such module and tool must be applied in a manner appropriate to project-level application.” This statement is reflecting the fact that the module cannot be followed directly, as some of it is designed for jurisdictional programmes and is aligned to the VCS jurisdictional programme standard and tools. Therefore, in some places the explicit guidance of the module cannot be followed, and modifications must be made to the module as appropriate.

1) We have completed the market leakage analysis for the top 3 crops grown by area in Koh Kong province. These crops constitute 87% percent of the planted area in Koh Kong province, and include the major market crops grown in the province. The auditor rightly quotes the module, however the module defines a global commodity as “A commodity is considered linked to international markets where a significant amount of the country’s production of that commodity is traded on international commodities markets, given as more than 5 percent of the country’s total production of a given commodity is traded on international commodities markets.” As discussed above, some aspects of the module must be modified to conform to VCS project-level application. As VCS leakage rules preclude international leakage, the global component of this guidance should be interpreted as leakage within the country, and the “global commodity” should be seen as commodities grown in the baseline scenario that would be traded on markets in the country. The commodities included in the market leakage analysis are the ones that would be traded within the country. The rest of the crops listed as being grown in the province are for local consumption and for personal use. Therefore, these should not be included in the analysis. Additionally, there would be no way of actually knowing every crop or commodity grown or potentially grown in the province, we are limited by the data sources that we have available. As discussed above, by utilizing the top 3 crops grown in the province we are able to capture 87% of the planted area in the province, and therefore the most significant market leakage potentials.
2) We have revised the tool to be in conformance with this issue.
3) We have revised the tool to incorporate the default growth rate of commodities of 2.5 % from the module VMD0037.
4) The equations from section 5.2 were all included in the tool. In some instances multiple equations were combined into a single equation, or in other instances a single equation was broken into multiple ones. Additionally, as discussed above, in some places where appropriate some modifications were made to equations to reflect the project-level application. We have revised the tool to attempt to make these equations more clear and have added references in the text to each of the equation numbers from the VCS module VMD 0037.
**Auditor Response**: The audit team reviewed the revised market leakage workbook, entitled "SCRP_Market Leakage Tool v3", in order to see if the finding could be closed. In general, the workbook much more closely follows the requirements of the leakage module. In some cases, the audit team has questions about the extent to which the workbook follows the leakage module; those questions are addressed in NIR 67. In addition to those questions, the audit team has noted one area in which the revised workbook appears to clearly deviate from the requirements of the market leakage tool.

In Equation 5, the leakage module requires that the "Amount of production subject to leakage for commodity j in year t" be multiplied by the "Proportion of leakage resulting in increased supply outside the jurisdiction" (which must be set at 75%) and the "Proportion of increased supply coming from new land brought into production" (the default value of which is set at 40%, though it can be modified with justification, as set in the module). The result is divided by the "Baseline commodity yield for commodity j in year t".

Something approximating the required calculation appears to be carried out in cells C82:C88 and C101:C107 of the "Leakage" worksheet in the revised wokbook. However, the calculations deviate significantly from those set out in Equation 5, and result in a substantively lower calculation of market leakage.

**Project Personnel Response 2**: There were some differences in the calculation methods used in the workbook versus how the instructions were written in the module. This was due to changes made in the module late in the development process. We have revised the workbook to ensure that it adheres to the way that the final version of the VCS module. This includes the issues that the audit team have detailed above. The workbook has now set the variables in eq. 5 to 75% and 40%, respectively, as directed by the tool.
**Auditor Response 2**: Through review of the revised market leakage calculation workbook, entitled "SCRP_Market Leakage Tool v5", the audit team can confirm that the 75% and 40% default values as required by the module are now hard-wired into cell ranges F85:F91 and G85:G91, respectively, in the "Leakage" worksheet, and that this is sufficient to resolve the indicated non-conformity. For purposes of clarity, additional non-conformities relative to the requirements of the module will be handled in separate findings.

**NIR 67 Dated 2 Nov 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4; VCS Global Commodity Leakage Module: Production Approach
**Document Reference**: SCRP_Market Leakage Tool v3
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

The audit team understands that the VCS Global Commodity Leakage Module: Production Approach ("the leakage module") has been used to calculate market leakage in the workbook "SCRP_Market Leakage Tool v3". Please provide the following requested information regarding the conformance of the calculations to the leakage module.

1. Section 5.1.1 of the leakage module states the following: "Because land uses can overlap, the total proportion of deforestation across agricultural commodities may be more than the proportion of deforestation of relevant global commodities. Where crops overlap seasonally, it may be appropriate for the total value for the proportion of deforestation driven by all such crops to be greater than the proportion of deforestation driven by the production of relevant global commodities." Please provide a description of actions taken to confirm that land uses relating to production of agricultural commodities do not overlap.
2. Section 5.1.2 of the leakage module requires the following in respect of baseline commodity yields: "Apply annual data from each year included in the historical reference period used to develop the jurisdictional baseline to determine a baseline commodity yields. Where annual data is not available throughout the historical reference period, provide justification that the years in which data is available are representative of such period." It appears that most or all of the baseline commodity yields have been sourced from Table 4 of the World Bank report "Cambodian Agriculture in Transition: Opportunities and Risks", which provides data from 2012 only. Please provide justification that this year (or any other selected year or period) is representative of the entire historical reference period.
3. Under the historical trend analysis in Equation 2 (which appears to be the selected analysis procedure, the leakage module requires that a "Growth rate of commodity yields" be applied. The methodology states that "This module uses a conservative default growth rate of commodities of 2.5 percent, based on peer-reviewed agricultural studies. Apply the default growth rate, or where data on trends in commodity yield within the jurisdiction are available, justify a more accurate jurisdiction-specific growth rate for commodity j based on government approved or peer-reviewed studies on growth trends within the jurisdiction. Where a jurisdiction-specific growth rate is applied, the growth rate must be calculated using data from the same historical reference period used to develop the jurisdictional baseline." It appears that a growth rate of 0% has been determined for sawlogs, as entered into cell C47 of the "Leakage" worksheet. Please provide a justification of this growth rate per the requirements cited above.
4. Please clarify the source of data as inserted into cell C48 of the "Leakage" worksheet.
5. Please and provide justification that any data sources used to quantify baseline commodity yields are consistent with the following requirements of Section 5.1.2 of the module (text reformatted for clarity):
"The baseline commodity values must:
- be determined by monitoring commodity yields prior to the implementation of the jurisdictional program, or
- be collected from regional studies conducted according to methods that are publicly available from a recognized, credible source and must be reviewed for publication by an appropriately qualified, independent organization or appropriate peer review group, or
- be published by a government agency."

**Project Personnel Response**: 1) The percentage of land attributed to each crop was calculated based on the reported areas planted for each crop in Koh Kong province. As Cambodia is a monsoonal climate, there is only one harvest per year for most crops varieties. Rice is a notable exception, where there is a dry and a wet season harvest. The report Cambodia Agriculture in Transition (2015) states that in the absence of irrigation, farmers are generally limited to a single crop per year. As documented in this report, as the majority of Cambodian agriculture is still generally small, non-irrigated and involves few modern inputs, it is most likely that in the majority of farms the growth of commodity crops would not overlap. Additionally, this report documents that in the past to seek increases in per farm revenue the size of the average Cambodian farm has been increasing, often by continued conversion of forest land to new agricultural land, instead of through the adoption of modern inputs or technology, such as utilizing multiple growing seasons. Therefore, we find that in Koh Kong province the production of the reported commodities would not overlap.

2) As the agricultural sector in Cambodia is relatively small and there are limited publications on reported production yields we were limited in the data sources available to us. As the reported year of the yield data is within the Project's reference period, and also within a reasonable period of the project start date we feel that it is very appropriate for use. The source of the data is the Cambodian government, and we believe it to be of high quality. We have searched for more recent data sources, but have been unable to locate any. We compared the yields reported in this document to those reported by FAO for Cambodia for the period 2012-2016, and found them to be very similar, and conservative in nature when utilizing the 2.5% yield growth rate. WE have provided the FAO data to the audit team for comparison.

3) We believe that the use of a yield increase for saw log production would be inappropriate. The tool includes a percent increase in commodity yield under the assumption that through the introduction of improved methods and technologies farmers would be able to increase their crop yields over time. However, the potential displaced saw log production would continue to occur in natural forest, grown without any intervention or management from humans, and primarily be harvested in an informal and unorganized manner. Therefore, we do not believe that there would be any way for saw log yield to be increased over time.

4) The value referenced by the audit team is the saw log yield in units of m3/ha. We have updated this value to utilize one from literature, which is in line with the guidance of the VCS module.

5) All of the parameters used in the parameterization of the market leakage tool are derived from literature published by government agencies or multi-lateral international agencies that are highly qualified, independent and credible. This is consistent with the requirements of section 5.1.2 of the VCS module. The sources used for yields included the documents: Cambodia Agriculture in Transition (2015), published by the World Bank, the FAO STAT website, which is overseen by the FAO, and the document Forest Degradation in Cambodia (2013), published by the US Forest Service. Therefore, these all clearly consistent with the requirements of the VCS market leakage module.

**Auditor Response**: The audit team's feedback regarding each of the responses provided is given below.

1) Based on the information provided, the audit team agrees that it is appropriate to assume that only one crop is grown on a given area during a growing season and that cropping land uses do not overlap. Therefore, item 1 has been adequately responded to.
2) The audit team has been provided with an appropriate justification that the best available data on commodity yields has been utilized. However, this does not directly constitute a justification that the year 2012 was representative of the historical reference period. Therefore, item 2 has not been adequately responded to.
3) The audit team agrees with the rationale for not applying a yield increase to saw logs. However, the information provided does not specifically constitute a justification "based on government approved or peer-reviewed studies on growth trends within the jurisdiction". Therefore, item 3 has not been adequately responded to.
4) It was clarified to the audit team that the value of 525 cubic meters per hectare has been sourced from Table 2 of the study "Forest Degradation in Cambodia: An Assessment of Monitoring Options in the Central Cardamom Protected Forest", provided to the audit team with the filename "Halperin and Turner 2013". Therefore, item 4 has been adequately responded to.
5) The audit team agrees that the studies used to estimate baseline commodity yields are "regional studies conducted according to methods that are publicly available from a recognized, credible source". However, it is not clear to the audit team that all such studies have been "reviewed for publication by an appropriately qualified, independent organization or appropriate peer review group", and no evidence of such review has been provided. Therefore, item 5 has not been adequately responded to.

Because items 2, 3 and 5 have not been adequately responded to, the information request has not been satisfied.
**Project Personnel Response 2**: We have listed a methodology deviation in the PD and MR detailing how the aspects of point 2 and 3 deviate from the requirements of the module VMD0037. For point 5, each of the 2 data sources utilized for the baseline commodity yields fully meets the requirements of section 5.1.2. Both of these studies are published by government entities, which under the criteria of section 5.1.2 is sufficient for use without showing that it is additionally “reviewed for publication by an appropriately qualified, independent organization or appropriate peer review group”. However, that is also true for these 2 sources. The paper Cambodian Agriculture in Transition, published by the World Bank, details an extensive peer review process through both review by individuals and through a consultative workshop process. This information is contained in the “acknowledgements” section on page xi. The paper Forest Degradation in Cambodia, published by the US Forest Service, states that an “extensive” review process was held, and lists multiple organizations that reviewed the report for accuracy in the Preamble section on page ii. Therefore, both of these sources all fully in conformance with the requirements of section 5.1.2.

**Auditor Response 2**: The audit team understands that a methodology deviation has applied, and so point 3 is no longer applicable.

Regarding point 5, the audit team was able to review the referenced portions of the publications "Forest degradation in Cambodia: an assessment of monitoring options in the Central Cardamom Protected Forest" and "Cambodian Agriculture in Transition: Opportunities and Risks" and confirm that the characterization provided in response to the finding is correct. This is sufficient to constitute evidence of review by "an... appropriate peer review group".

Therefore, the information request has been satisfied.

**NCR 68 Dated 8 Nov 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.2.1
**Document Reference**: Potential_Leakage_Areas; LeakAr_er_2010NF_2015DF
**Finding**: The methodology requires that "As of the project start date, the activity-shifting leakage area must be entirely unconverted (ie, in a forest or native grassland state)…". Two iterations of the delineation of the leakage areas, in the "Potential_Leakage_Areas" and "LeakAr_er_2010NF_2015DF" shapefiles, were reviewed for conformance with the requirements, using Landsat imagery attributed to the end of 2014 as viewed in Google Earth. (The audit team understands the potential for accurate image dates to be displayed in Google Earth but, for a number of reasons, believes that any inaccuracy in the dates displayed is highly unlikely to materially impact the conclusions of the audit team as set out in this finding.) In the "Potential_Leakage_Areas", some areas within the external boundaries of the leakage areas that had been deforested as of (nominally) the end of 2014 were clearly visible. When this was brought to the attention of project personnel, the audit team was provided with a revised shapefile, entitled "LeakAr_er_2010NF_2015DF", for review. In the revised shapefile, some deforested areas had clearly been excised from boundary of the the leakage areas. However, it was clear to the audit team that some areas that could clearly be identified as deforested in data attributed to the end of 2014 in Google Earth had still not been excised from the leakage areas. In the opinion of the audit team, this is likely because the revised leakage areas had been edited using forest/nonforest classification data from imagery acquired in 2010, and the areas in question had been converted between 2010 and (nominally) 2014. Therefore, the leakage areas, as identified in the "LeakAr_er_2010NF_2015DF" shapefile, are not in conformance with the methodology.
**Project Personnel Response**: The delineation of the Activity-Shifting Leakage Area utilized the MOE forest cover 2015 map as its primary landcover map. However, the map contained certain areas of “no-data” in areas of non-forest, which were filled in with the MOE 2010 forest cover map. In performing spot checks, we noticed some small areas that were determined to have been converted between 2010 and 2015 that cannot be delineated using said maps. The activity-shifting leakage area therefore does not conform to the auditor’s interpretation of the text in the first paragraph of VM0009 v3.0, Section 8.3.2.1, which states “As of the project start date, the activity-shifting leakage area must be entirely unconverted (ie, in a forest or native grassland state) …”.

The activity-shifting leakage area’s purpose is to provide a boundary for the placement of leakage plots. The plots are required to be in unconverted areas. If a leakage plot is found to fall in a converted area, presumably due to an error in the land cover classification used to delineate the activity-shifting leakage area, that plot is moved in a spatially random manner to an area that is unconverted. The delineation of the the activity-shifting leakage area is therefore entirely inconsequential to the calculation of emissions from activity-shifting leakage, and, by extension, the deviation does not impact the conservativeness of the quantification of GHG emission reductions or removals.

Because the activity-shifting leakage area was originally delineated to include these small identified areas of conversion, we’ve elected to employ a methodology deviation in response to this finding. Specifically, we deviate from the criteria stated in Section 8.3.2.1 and, by extension, PDR.108, which requires proof that the Activity-shifting leakage area is in an “entirely non-converted state”.
**Auditor Response**: Given that a methodology deviation has been applied, this finding is no longer relevant, and it is withdrawn.

**NCR 69 Dated 8 Nov 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4
**Document Reference**: SCRP_Market Leakage Tool v5
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

The calculation of market leakage, in the workbook "SCRP_Market Leakage Tool v5", does not conform to the requirements of the VCS Global Commodity Leakage Module: Production Approach ("the leakage module") in the following ways:

1. The requirements of the leakage module are that the market leakage value, in Equation 14, be calculated on a year-by-year basis (i.e., for year "year y"). The calculations in the "SCRP_Market Leakage Tool v5" result in one overall market leakage value for the monitoring period.
2. Commodity yields are required to be entered into Equation 2 of the leakage module in units of "tonnes / ha". The unit of measure for the "saw logs" commodity, in cell C51 of the worksheet "Leakage" in the calculation workbook, is in units of cubic meters per hectare.

While the above instances represent non-conformities relative to the requirements of the leakage module, the audit team understands that they have no quantitative impact. Therefore, the audit team believes that the above variations from the module could be justified as methodology deviations in accordance with Section 3.5.1 of the VCS Standard. However, unless methodology deviations are to be applied (and documented in the PD and/or MR), it is required that the leakage module be adhered to in full.
**Project Personnel Response**: We have listed a methodology deviation in the PD and MR detailing how the aspects of point 1 and 2 deviate from the requirements of the module VMD0037.
**Auditor Response**: Given that a methodology deviation has been applied, this finding is no longer relevant, and it is withdrawn.

**NCR 70 Dated 8 Nov 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4
**Document Reference**: SCRP_Market Leakage Tool v5
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

Section 5.3.2 of the VCS Global Commodity Leakage Module: Production Approach ("the leakage module") states the following:

“Next estimate the share of leakage resulting in deforestation within the country that is outside any other jurisdictional REDD+ program [read: REDD+ project] that monitors and accounts for GHG emissions (ie, to estimate unaccounted leakage within the country). This share is evaluated using either the percentage of global deforestation during the historical reference period or the percentage of global at-risk forest carbon stocks, as described above. Where the country does not include any other jurisdictional REDD+ programs [read: REDD+ projects] or data is not available, the share of unaccounted leakage within the country must be set conservatively as 100 percent.”

The calculation of market leakage, in the workbook "SCRP_Market Leakage Tool v5", does not conform to the requirements of Equation 11 of the leakage module in the following ways:

Equation 11 requires that the difference between the “Area of deforestation within the country (ha)” and the “Area of deforestation accounted for under other jurisdictional programs within the country (ha)” be divided by the former quantity. While the leakage module is less than fully clear regarding what is meant by the “Area of deforestation accounted for under other jurisdictional programs within the country (ha)”, the only interpretation that is consistent with the “during the historical reference period” text, as quoted above, and that also ensure an apples-to-apples comparison with the area deforested within the country during the historical reference period, is to quantify this variable as the summed amount of deforestation that has occurred (in the project scenario) in any other REDD+ projects during the historical reference period. Instead, this variable is quantified in the "Leakage" worksheet of the workbook "SCRP_Market Leakage Tool v5" by summng the total project area (or project accounting area, as appropriate) in the " Tumring REDD+ Project" and the "Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary" and "Reduced Emissions from Deforestation and Degradation in Community Forests – Oddar Meanchey, Cambodia" projects. This does not conform to the requirements of the leakage module in two respects: (1) the Tumring REDD+ Project, which was not in operation during the historical reference period, is included in the analysis, and (2) the variable being calculated by this operation is different from the variable "Area of deforestation accounted for under other jurisdictional programs within the country (ha)" as required by the leakage module.
**Project Personnel Response**: The market leakage tool has been revised to bring equations 11 and 12 into compliance with the text of VCS module VMD0037. Due to a lack of data availability on the area deforestation within these existing REDD+ Projects the Project has elected to select the conservative default value for the parameter u of 100%.

**Auditor Response**: Through review of the revised version of the market leakage calculation workbook, also entitled ""SCRP_Market Leakage Tool v5", the audit team can confirm that the output of Equation 10 has been conservatively set to 100%, as mandated by Section 5.3.2 where "data is not available". Therefore, the non-conformity has been resolved.

**OBS 71 Dated 8 Nov 2018**
**Standard Reference**: VM0009, version 3.0, Section 8.3.3.4
**Document Reference**: SCRP_Market Leakage Tool v5
**Finding**: The methodology requires the following: "To calculate market leakage using the production approach, apply the VCS Global Commodity Leakage Module: Production Approach and the relevant criteria and procedures from the associated JNR Leakage Tool. Such module and tool must be applied in a manner appropriate to project-level application."

There are two areas in which the calculation of market leakage, in the workbook "SCRP_Market Leakage Tool v5", is not consistent with the audit team's understanding of the VCS Global Commodity Leakage Module: Production Approach ("the leakage module"). These instances do not present clear non-conformities to the requirements of the leakage module, given the lack of clarity within that module. However, the audit team's calculation of market leakage will not mirror the calculations in "SCRP_Market Leakage Tool v5" in the areas described below. Therefore, while the difference do not present a non-conformity with respect to the leakage module, it is possible that the difference between the audit team's calculation and the calculations in "SCRP_Market Leakage Tool v5" will result in an overall difference in the quantification of GHG emission reductions that will fall outside the materiality threshold of one percent, as set out for large projects in Section 5.4.1(4) of the VCS Standard, in which case an NCR may not be issued in respect of these items at a later time.

1) In quantifying the "Area of deforestation within the country (ha)" for use in Equation 8, the calculations in "SCRP_Market Leakage Tool v5" have taken the difference between the non-forest area in 2014 and 2006 according to the Forest Reference Emission Level analysis carried out by the Ministry of Environment, as calculated in cell P33 of the worksheet "National FRL" of the workbook "Cardamoms RL v12". However, this value is slightly different from the difference between the forested area in 2006 and 2014 (in cells K17 and O17 of the "National FRL" worksheet, respectively), which is the basis for the jurisdictional baseline. In the opinion of the audit team, use of the data that were used in calculation of the jurisdictional baseline is superior for purposes of consistency.
2) Equation 12, which parallels Equation 9, requires that the difference between the “At-risk forest carbon stocks within the country (tonnes C)” and the “At-risk forest carbon stocks accounted for under other jurisdictional programs within the country (tonnes C)” be divided by the former quantity. While it is unclear exactly what is required, the audit team believes that the course of action most consistent with the intent of the leakage module would be to use carbon stocks deforested in the historical reference period is a proxy for "at-risk forest carbon stocks", as has been done in implementing Equation 9 in cell C99 of the "Leakage" worksheet.
**Project Personnel Response**: We have revised the market leakage in accordance with the issues discussed in the finding.
1. We have revised the calculation of “Area of Deforestation within the country” to utilize the change in forest area between 2006 and 2014 instead of the change in non-forest area.
2. As listed in the response to finding 70 we have elected to use the conservative default value for the parameter u.
**Auditor Response**: While responses to Observations are not required, the audit team appreciates that the project calculations have been modified so as to be more in line with those carried out by the audit team. The value of 2,319,087 ha in cell D4 of the "Parameters" worksheet in "SCRP_Market Leakage Tool v5" has been correctly calculated as the difference between forest area in 2006 and 2014. In addition, the second item is no longer relevant, given that the output of Equation 10 has been conservatively set to 100% (see NCR 70).

**NCR 72 Dated 12 Nov 2018**
**Standard Reference**: VM0009, V3.0, Section 9.3
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.12
**Finding**: Monitoring Requirement 100 requires the following: "For each selected allometric equation, a list of species to which it is being applied and the proportion of the total carbon stocks predicted by the equation." The monitoring report indicates the following: "The Chave et al. (2005) equation is applied to 100% of the carbon stock. 'Annex 10 - Cardamom REDD Carbon Inventory v8.xlsm' contains a list of all species for which the allometry was applied." It seems reasonable to conclude that it is not practicable to list, within the MR, all species to which the selected equation is being applied. And, in any case, Section 2.3 of the methodology allows for monitoring requirements to be satisfied "in a document(s) referenced from the PD or monitoring reports". However, in order for this requirement to be satisfied through reference to external documents, it is necessary for a clear reference to be provided. A clear reference has not been provided to the location, within the workbook "Cardamoms REDD Carbon Inventory v8", wherein the required information has been provided.
**Project Personnel Response**: We have made the reference to the external workbook more clear, to include specific reference to the tab and table name in excel workbook where the required information is presented.

**Auditor Response**: Through review of Section 6 of the revised MR, entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.13", the audit team can confirm that an accurate reference is provided to the specific table containing the required list of species. Therefore, the non-conformity has been resolved.

**NCR 73 Dated 12 Nov 2018**
**Standard Reference**: CCB & VCS Project Description Template, CCB V3.0, VCS V3.4; CCB & VCS Monitoring Report Template, CCB V3.0, VCS V3.4
**Document Reference**: S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.13; S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.12
**Finding**: Sections 3.1.6 and 2.2.2 of the CCB & VCS Project Description and Monitoring Report Templates, respectively, require the following in respect of methodology deviations:

"Describe and justify any methodology deviations applied during this monitoring period. Include evidence to demonstrate the following:
• The deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals.
• The deviations relates only to the criteria and procedures for monitoring or measurement, and do not relate to any other part of the methodology."

The deviation "Market Leakage Determination" is well-described in the PD and MR, respectively. However, the description does not specifically include evidence to demonstrate that the deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals. (It is stated that "There is no quantitative impact of this deviation" but supporting evidence/justification for this claim is not provided.) In addition, the description does not provide evidence to demonstrate that the deviation relates only to the criteria and procedures for monitoring or measurement, and does not relate to any other part of the methodology.

**Project Personnel Response**: We have revised the pertinent sections in the PD and the MR to include this required information on the methodology deviation on the determination of market leakage, to state the justification of the deviation and to provide evidence that the deviation is conservative.
**Auditor Response**: Through review of the revised PD and MR, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.14" and "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.13", respectively, the audit team can confirm that the description of the methodology deviation entitled "Market Leakage Determination" now fully satisfies all requirements of Sections 3.1.6 and 2.2.2 of the respective templates. A clear justification is provided for the claims that the deviation has no impact on the quantification of market leakage, and the reasoning for the claim that the deviation relates only to the criteria and procedures for monitoring or measurement is also clearly stated. Therefore, the non-conformity has been resolved.

**NCR 74 Dated 12 Nov 2018**
**Standard Reference**: CCB & VCS Project Description Template, CCB V3.0, VCS V3.4; CCB & VCS Monitoring Report Template, CCB V3.0, VCS V3.4
**Document Reference**: S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.13; S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.12
**Finding**: Section 3.2.4 of both the CCB & VCS Project Description Template and the CCB & VCS Monitoring Report Templates contain instructions to document the quantification of net GHG emission reductions or removals. While this is generally well-done in Section 3.2.4 of both the PD and the MR, one issue is that, in both Section 3.2.4.7 of the PD and Section 3.2.4.3.1 of the MR, the parameters c(P) and c(B) are quantified as if they were on a totals basis instead of a per-hectare basis (e.g., 188,475,807.92, instead of 425.31, for parameter c(P)).
**Project Personnel Response**: We have revised the Section 3.2.4.7 of the PD and Section 3.2.4.3.1 of the MR to correct cP and cB to be presented in the required units.
**Auditor Response**: Through review of Sections 3.2.4.7 and 3.2.4.3.1 of the revised PD (entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.14") and MR (entitled "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.13"), respectively, the audit team can confirm that the parameters c(P) and c(B) are now represented as being quantified on a per-hectare basis, as required by the methodology. The non-conformity has been resolved.

**NCR 75 Dated 26 Nov 2018**
**Standard Reference**: CCB & VCS Project Description Template, CCB V3.0, VCS V3.4; CCB & VCS Monitoring Report Template, CCB V3.0, VCS V3.4
**Document Reference**: S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V1.13; S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V1.14

**Finding**: The CCB & VCS Project Description Template and the CCB & VCS Monitoring Report Templates both contain instructional guidance text that must be adhered to. The following areas were noted where complete adherence to the template requirements was not attained:
1. Section 3.1.4 of the CCB & VCS Project Description Template requires the following: "Identify and justify the baseline scenario for the GHG reduction and/or removal activities, in accordance with the procedure set out in the applied methodology and any relevant tools. Where the procedure in the applied methodology involves several steps, describe how each step is applied and clearly document the outcome of each step." In Table 16 of the PD, an incorrect value for "Cambodia FRL scaled to SCRP REDD+ PAA (% of Cambodia forest 2014) (tCO2e/yr)" is reported (the value of 4,120,084 tCO2e is reported, as opposed to 4,461,598 tCO2e).
2. Section 3.3.1 of the CCB & VCS Project Description Template requires that the "Value applied" be provided for each parameter available at validation. For the parameter A(PX), the value of 29,193 ha is provided, whereas the audit team understands that the value of 27,717.7 is the correct value.
3. Section 3.3.1 of the CCB & VCS Project Description Template and Section 3.1.1 of the CCB & VCS Monitoring Report Template require that a "Justification of choice of data or description of measurement methods and procedures applied" be provided for each parameter available at validation. For the parameter r(RS), the justification indicates that the value utilized is the "IPCC default value for Tropical shrubland". In fact, the value utilized is the IPCC default value for tropical rainforest.
4. Section 3.3.1 of the CCB & VCS Project Description Template and Section 3.1.1 of the CCB & VCS Monitoring Report Template require that the "Value applied" be provided for each parameter available at validation. For the parameter A(PX), the value of 29,193 ha is provided, whereas the audit team understands that the value of 27,717.7 ha is the correct value.
5. Section 3.3.1 of the CCB & VCS Project Description Template and Section 3.1.1 of the CCB & VCS Monitoring Report Template require that the "Value applied" be provided for each parameter available at validation. For the parameter d(d), the value of 2,313,554 ha is provided, whereas the audit team understands that the value of 2,319,087 ha is the correct value.
6. Section 3.3.2 of the CCB & VCS Project Description Template and Section 3.1.2 of the CCB & VCS Monitoring Report Template require that the "Value applied" be provided for each parameter that is monitored. For the parameter entitled "Area of Project Accounting Area stratum 1 prior to first verification event – Evergreen Forest", the value of 427,147 ha is provided, whereas the audit team understands that the value of 425,087 ha is the correct value.
7. Section 3.3.2 of the CCB & VCS Project Description Template and Section 3.1.1 of the CCB & VCS Monitoring Report Template require that the "Value applied" be provided for each parameter that is monitored. For the parameter entitled "Area of Project Accounting Area stratum 2 prior to first verification event – Deciduous Forest", the value of 18,192 ha is provided, whereas the audit team understands that the value of 17,793 ha is the correct value.
8. Section 3.1.1 of the CCB & VCS Monitoring Report Template requires that a description be provided for each parameter available at validation. For the parameter "RL", the description is given as "The annual deforestation rate for Koh Kong province", whereas the audit team understands that the parameter is actually the annual deforestation rate for Cambodia as a whole.
9. Section 3.1.2 of the CCB & VCS Monitoring Report Template requires that the "Value applied" be provided for each parameter that is monitored. For the parameter described as "Project carbon stocks in biomass prior to first verification event", the value of 188,475,807.93 tCO2e is provided, whereas the audit team understands that the value of 188,359,161.76 tCO2e is the correct value.
10. Section 3.1.2 of the CCB & VCS Monitoring Report Template requires that the "Value applied" be provided for each parameter that is monitored. For the parameters described as "Portion of leakage due to degradation in forest at the end of the current monitoring period" and "Portion of leakage due to degradation in forest at the end of the current monitoring period", the value of 0 is provided. This is not consistent with Section 8.3.2.3 of the methodology, which indicates that "This parameter must be applied at each monitoring event, including for the first monitoring period despite zero leakage".
11. Section 3.2.4 of the CCB & VCS Monitoring Report Template requires the following: "Quantify the net GHG emission reductions and removals..." In Section 3.2.4.3.2, the gross emission reductions for the monitoring period are calculated as 13,367,795 tCO2e. Table 11 indicates that the baseline emissions for the monitoring period are 13,384,598. In Section 3.2.4.8, the quantity 25,319 tCO2e is

represented as being equal to the leakage quantified for the monitoring period. In all cases, the information presented is not consistent with other information verified by the audit team.
**Project Personnel Response**: [A response to this finding was provided outside the cover of the findings document.]
**Auditor Response**: In response to the issues raised in this finding, revised versions of the PD and MR were provided, entitled "S_Cardamom_RP_Project_Description_Template_CCBv3.0_VCSv3.3_V2" and "S_Cardamoms_RP_Monitoring Report_M1_CCBv3.0 _ VCSv3.4_V2", respectively. Through review of the revised documents, the audit team can confirm that all of the reporting issues documented in the finding have been addressed. Therefore, the non-conformity has been resolved.

## APPENDIX C: MARKET LEAKAGE ASSESSMENT

In accordance with Section 3.6.4 of the AFOLU Requirements, the quantity of market leakage caused by the project was assessed at verification. The information upon which the market leakage assessment was based is contained within the methodology. The market leakage assessment findings and conclusion are as follows.

The quantification of market leakage has, with the exception of the methodology deviation discussed in Section 3.3.6 of the validation report produced by SCS, been correctly undertaken following the module "Global Commodity Leakage Module: Production Approach (LM-P)" as referenced by Section 8.3.3.4 of the methodology. Therefore, market leakage attributable to project activities has not been accounted for, in accordance with the methodology. In summary, the total quantity of market leakage emissions is estimated to be 99,181 tCO2e over the monitoring period. The audit team has concluded that the reporting of market leakage emissions is in conformance with the VCS rules and the methodology.